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Canada Student Loans Program

Annual Report
2007–2008

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MESSAGE FROM THE MINISTER

As Minister of Human Resources and Skills Development Canada, I am pleased to present the 2007–2008 annual report for the Canada Student Loans Program.

The Canada Student Loans Program has a proud history of helping Canadian students pursue a post-secondary education through financial assistance programs. Since the Program was created in 1964, more than four million students have benefited from federal loans and grants.

In the 2007–2008 loan year, the Program issued $2 billion in loans to more than 350 000 students and $142 million in grants to more than 80 000 students.

In recent budgets, the Government of Canada has taken steps to make post-secondary education more affordable and accessible.

As of August 1, 2009, the new Canada Student Grants Program offers a non-repayable grant of $250 per month to students from low-income families and $100 per month to students from middle-income families. The new Canada Student Grants will help an estimated 245 000 students each year, reaching 100 000 students who did not previously qualify for a grant.

Also, the new student loan Repayment Assistance Plan helps eligible borrowers better manage their debt through affordable loan payments.

These new measures will help students and families better manage the cost of post-secondary education and provide assistance in times of economic uncertainty.

Post-secondary education is essential to Canada's future and helps Canadians seize the many opportunities our country has to offer.

The Honourable Diane Finley, P.C., M.P.
Minister of Human Resources and Skills Development

TABLE OF CONTENTS

Vision, Mission and Mandate 1
2007–2008 Program Highlights 2
Introduction 6

PART I – BACKGROUND 7

PART II – PROGRAM ACTIVITIES 15

PART III – PROGRAM RESULTS 33

PART IV – FINANCIAL DETAILS 40

PART V – APPENDICES 45

Appendix A: Canada Student Loans Portfolio 45
Appendix B: Loans to Part-Time Students by Province/Territory and by Type of Institution 46
Appendix C: Borrower Mobility 47
Appendix D: Loans to Full-Time Students by Type of Institution 48
Appendix E: Borrowers by Study Level 49
Appendix F: Borrowers by Age 50
Appendix G: Borrowers by Gender 51
Appendix H: Borrowers by Marital Status 52
Appendix I: Canada Student Loan Indebtedness 53
Appendix J: Interest Relief 55
Appendix K: Client Satisfaction with the National Student Loans Service Center 56
Appendix L: Federal Government Support for Post-Secondary Education 57

PART VI – GLOSSARY 58

Vision

The vision of the Canada Student Loans Program (CSLP) is that all Canadians have the opportunity to develop the knowledge and skills to participate fully in the economy and in society.

Mission

The CSLP seeks to promote access to post-secondary education for students with demonstrated financial need by:

- **providing loans and grants** to eligible individuals;
- **developing and implementing policies** that balance requirements for accountability, integrity and responsiveness to the changing needs of students and society;
- **providing information** to help students and their families make informed choices;
- **enhancing and improving the delivery of services**, resulting in high client satisfaction;
- **ensuring the development and renewal of a valued, knowledgeable, motivated workforce** within the CSLP; and
- **building on and improving collaborative partnerships** with federal, provincial and territorial partners, stakeholders and student organizations.

Mandate

The CSLP's mandate is to promote access to post-secondary education through the provision of financial assistance in the form of loans and/or grants to qualified students based on financial need, regardless of province or territory of residence.

2007–2008 PROGRAM HIGHLIGHTS

Post-secondary education opens doors for Canadians by providing better job opportunities. It benefits Canada as a whole through improved competitiveness and productivity, and stronger social cohesion.

More and more Canadians are investing in their future by getting a post-secondary education. The Government of Canada plays a strong role in making sure Canadians have access to post-secondary learning by helping students pay for their education through programs such as the Canada Student Loans Program (CSLP).

The CSLP reduces financial barriers to post-secondary education by providing loans and grants to students with demonstrated financial need. Canada Student Loans and Grants are available across Canada, except in Quebec, the Northwest Territories and Nunavut, which operate their own student financial assistance programs.

The Annual Report for the CSLP informs Parliament and Canadians of the Program's achievements and performance for the 2007–2008 loan year (August 1, 2007, to July 31, 2008), highlights significant changes to the Program that took place or were announced during 2007–2008, and provides detailed financial information for the 2007–2008 fiscal year (April 1, 2007, to March 31, 2008).

FEDERAL INVESTMENTS

Major CSLP policy changes and program improvements have been announced in recent federal budgets.

The 2008 Federal Budget

Major initiatives aimed at helping Canadians access post-secondary education were announced in Budget 2008 and will come into effect on August 1, 2009.

These measures include:

- The creation of a new Canada Student Grants Program, which will reach 245 000 students each year. There will be new grants for students from low- and middle-income families, part-time students, students with permanent disabilities and students with dependants. The grants will be predictable and easy to apply for, and they will be provided to students at the beginning and in the middle of the school year.
- A new Repayment Assistance Plan to help student loan borrowers who are having difficulty repaying their student loan. The Plan will ensure that no borrower will be required to make a student loan payment above an affordable level, no payment will be required from borrowers with very low incomes, and no borrower will have a repayment period exceeding 15 years (or 10 years if they have a permanent disability).
- Streamlining and modernizing the CSLP. This will mean improved online services for borrowers and more coordinated communications.

The 2007 Federal Budget

Budget 2007 invested an additional $800 million in annual support for post-secondary education, for a total annual transfer of $3.2 billion to the provinces and territories by 2008–2009. The budget also included a review of the CSLP to modernize and simplify the Program, which led to the extensive enhancements announced in Budget 2008.

The 2006 Federal Budget

Budget 2006 provided $370 million in new investments over two years to help foster excellence in and accessibility to post-secondary education.

GETTING THE MESSAGE OUT

To help students and their families make informed choices about post-secondary education, the CSLP undertook the following initiatives in 2007–2008:

- The Pan-Canadian Communications Campaign: an initiative by the federal and provincial/territorial governments that seeks to increase families' awareness of planning and saving options for their children's post-secondary education.
- Events: the CSLP attended 16 events in six provinces, distributing print publications, demonstrating CanLearn.ca and answering questions from students about available financial assistance.
- CanLearn.ca updates and improvements: through CanLearn.ca, the CSLP informs Canadians about the costs and benefits of post-secondary education and the financing options available to students before, during and after their studies.

STUDENT LOANS AT A GLANCE

Loans

- In 2007–2008, the CSLP disbursed $2.0 billion in loans to 352 708 full-time students and $2.8 million to 1 436 part-time students.
- The total value of the CSLP portfolio for all loans held by borrowers who are in school or who are repaying their loan was $12 billion as of March 31, 2008, an increase of $409 million over the previous fiscal year.
- Full-time borrowers received an average loan of $5,706, a similar amount to the previous loan year.
- The average part-time student loan was $1,948.

Who's Borrowing?

In the 2007–2008 loan year:

- Over half of all borrowers (59%)[1] were from Ontario. Ontario also had the highest percentage of all part-time student borrowers at 35%, followed by Alberta at 22%.
- Of the full-time student borrowers, 59% attended university, 31% attended college and 10% attended private institutions. Half of all part-time student borrowers (50%) attended university, 33% attended college and 17% attended a private institution.
- Most full-time student borrowers (59%) were enrolled in undergraduate programs, and 36% were enrolled in non-degree-granting programs such as those offered by community colleges and trade schools. Five percent were masters or doctoral students. Part-time student borrowers were more likely than full-time student borrowers to enrol in non-degree-granting programs (53%).

What Do Borrowers Owe?

Borrowers who began repayment during the 2007–2008 loan year owed the CSLP an average of $12,881, which was $649, or 5%, higher than in the 2006–2007 loan year.

- About 51% of borrowers owed the CSLP over $10,000.
- University borrowers owed an average of $16,269 upon entering repayment, an increase of $601. College borrowers owed an average of $9,939, and private institution borrowers owed an average of $10,152. These figures are a 3.8%, 3.3% and 5.9% increase from the 2006–2007 loan year, respectively.

1 Brackets in this report do not represent negative values.

- Prince Edward Island and Saskatchewan had the largest increases in the amount owing ($865 and $862 respectively) compared with 2006–2007. Newfoundland and Labrador had a decrease of $117 in average Canada Student Loan debt.

Repayment Assistance

The CSLP offers measures to help borrowers who are having trouble repaying their loans.

- 116 530 borrowers benefited from Interest Relief. This is an increase of 11% (11 350 borrowers) over the 2006–2007 loan year.
- 2 808 borrowers benefited from Debt Reduction in Repayment, for a total cost of $23 million.
- A total of 71 693 borrowers revised the terms of their loans, an increase of 31% from the 2006–2007 loan year.
- As part of the improvements to repayment assistance announced in Budget 2008, Interest Relief and Debt Reduction in Repayment will be replaced with the Repayment Assistance Plan as of August 1, 2009.

STUDENT GRANTS AT A GLANCE

To help more Canadians from underrepresented groups access post-secondary education, the Government of Canada gives out Canada Access Grants and Canada Study Grants. To date, more than 500 000 grants with a total value of over $845 million have been paid out to students.

In the 2007–2008 loan year, the CSLP gave out 80 681 grants, for a total value of approximately $142 million.

Budget 2008 announced the creation of the Canada Student Grants Program, which will replace the Canada Study Grants and Canada Access Grants, as well as provide additional new grants to students.

Canada Study Grants

In the 2007–2008 loan year, 40 402 Canada Study Grants were disbursed, for a total value of about $70 million. This is 7 451 fewer grants than in 2006–2007.

- Most of the grant amount (66%) was awarded to students with dependants, for a total of $46 million.
- Students with permanent disabilities received 29% of the grant amount, for a total of $20 million.
- High-need part-time students received 5% of the grant amount for a total of $2.6 million.
- Females pursuing doctoral studies received 1% of the grant amount, for a total of $1 million.

Canada Access Grants

In the 2007–2008 loan year, 40 279 Canada Access Grants were disbursed, for a total value of about $72 million. This is an increase of 764 grants compared to 2006–2007.

- Students with permanent disabilities received 14 376 grants, for a total of $26.7 million. This is an increase of 1 774 grants compared to 2006–2007.
- Students from low-income families received 25 903 grants, for a total of $45 million. This is a decrease of 1 010 recipients compared to 2006–2007.

PROGRAM RESULTS

The CSLP's four strategic objectives are to maintain the Government's commitment to accessibility; to promote awareness; to make the loan experience a positive one; and to ensure performance, integrity and accountability. Here are the results of what the Program did to reach those objectives.

1. Commitment to Accessibility

The CSLP conducted a survey of Canadian youth from the ages of 17 to 30.[2]

- Student loans are an important source of funding for students. A total of 69% of all current government student loan holders[3] would have experienced a major negative impact if they had not received their student loan.

2. Promoting Awareness

The Survey of Canadian Youth also tracked awareness levels.

- In non-integrated provinces (provinces that have not combined the loan administration process with the federal government) 61% of youth were aware of the CSLP, a 22% increase since last year. In integrated provinces, 81% of youth were aware of the integrated federal/provincial loans program.

The CSLP conducted another survey[4] with CSLP borrowers only, to determine their level of awareness and client satisfaction.

- 85% of borrowers found that their repayment options were clear to them at the time they entered into repayment, but there was still a large difference in understanding certain details of their loans, such as the current interest rate.

3. A Positive Loan Experience

- 75% of borrowers said they were satisfied with the CSLP overall.
- 78% of borrowers were satisfied with the service they received overall from the National Student Loans Service Centre (NSLSC). The contract with the CSLP's service provider provides incentives to maintain a high level of satisfaction with the NSLSC.
- 17% of borrowers believed service had improved compared to 2006–2007.

4. Integrity of the Canada Student Loans Program

Since Canada Student Loans are funded through the Government of Canada, measures have been put in place to ensure that taxpayer dollars are well spent, that the Program is delivered properly and that financial statements are accurate. The CSLP has worked to reduce the loan default rate, and it conducts audits and verifications regularly. The CSLP also works to safeguard the integrity of the Program by ensuring compliance with the *Canada Student Financial Assistance Act* and the *Canada Student Loans Act*. Results for the 2007–2008 loan year include the following:

- The three-year cohort default rate is forecast to remain at 16% for 2007–2008. This is down from 28% for the 2003–2004 cohort.
- The repayment rate for Canada Student Loans increased from 70% in 2006–2007 to 84% in 2007–2008.

2 Createc+: Special Investment Fund – 2008 CSLP Survey of Canadian Youth, May 2008.
3 Government student loans include participating provincial and territorial loans and federal loans.
4 Createc+: 2008 CSLP Client Satisfaction Survey, May 2008.

INTRODUCTION

The vision of the Canada Student Loans Program (CSLP) is that all Canadians have the opportunity to develop the knowledge and skills to participate fully in the economy and in society.

The Annual Report for the CSLP informs Parliament and Canadians of the Program's achievements and performance for the 2007–2008 loan year (August 1, 2007, to July 31, 2008), highlights significant changes to the Program that took place or were announced during 2007–2008, and provides detailed financial information for the 2007–2008 fiscal year (April 1, 2007, to March 31, 2008).

Part I of the report describes the context and history as well as the roles and responsibilities of the CSLP. It also outlines external factors that influence the operations of the Program and enhancements made to it.

Part II of the report looks at the Program's activities that support students before, during and after post-secondary education. This includes examining to what degree youth are aware of the CSLP's programs and take advantage of them, as well as who Canada Student Loan borrowers and grant recipients are. Part II also includes information on loan and grant disbursements, loan repayment, and repayment assistance options for borrowers after they finish post-secondary education.

Part III provides CSLP results for the 2007–2008 loan year.

Part IV provides financial details relating to the CSLP, including financial data.

Part V contains appendices.

Part VI is a glossary. Terms that are set in green type in the report are defined in the glossary.

Report data represents only the federal portion of a borrower's loans and grants. Borrowers are also likely to have provincial or territorial loans and may have received funding from other sources as well.

PART I
BACKGROUND

CHAPTER 1. FINANCIAL ASSISTANCE FOR STUDENTS

1.1 POST-SECONDARY EDUCATION IN CANADA

In today's world, the most successful countries are the ones that rise to the challenge of changing technologies, skills and knowledge. Post-secondary education is an investment in Canada's future, and more Canadians than ever before are going on to post-secondary education, giving Canada an important competitive edge.

Fifty percent of Canadians aged 15 and over have post-secondary credentials, whether trade certificates, college diplomas or university degrees. This is an increase of 17 percentage points since 1990.[5] Statistics from the Organisation for Economic Co-operation and Development (OECD) show that the proportion of the population that has graduated with post-secondary education is higher in Canada than in all countries in the OECD and the G7.[6]

When people attain higher levels of post-secondary education, everyone benefits. Canadians get better job opportunities and experience greater personal growth. Society as a whole also benefits since there is a correlation between post-secondary education and higher levels of community involvement, lower crime rates, and reduced use of the health-care system.[7]

Although attendance at post-secondary institutions is growing, financial barriers still prevent some Canadians from participating. In Canada, access to post-secondary learning opportunities is uneven, with attendance directly linked to individual financial status and geographic location.[8] With rising tuition and living costs, many students are relying on outside sources of funding to access post-secondary education.[9]

1.2 EXTERNAL FACTORS INFLUENCING POST-SECONDARY ENROLMENT

The CSLP operates in the larger context of the Canadian economic, political and social environment. Many factors can affect both post-secondary enrolment and the delivery of the CSLP.

Socio-Economic and Demographic Factors

The economy influences the need for student financial assistance and the decision to either

5 Human Resources and Social Development Canada, calculations using Statistics Canada, *Labour Force Historical Review*, 2007, catalogue no. 71F0004X.

6 Organisation for Economic Co-operation and Development (OECD). "Chart A1.3. Population with tertiary education (2007)." *Education at a Glance 2009*.

7 Canada Council on Learning, *Canadian Post-secondary Education: A Positive Record – An Uncertain Future*, Ottawa, 2006, http://www.ccl-cca.ca/NR/rdonlyres/BD46F091-D856-4EEB-B361-D83780BFE78C/0/PSEReport2006EN.pdf.

8 Canada Council on Learning, *Canadian Post-secondary Education: A Positive Record – An Uncertain Future*, Ottawa, 2006, http://www.ccl-cca.ca/NR/rdonlyres/BD46F091-D856-4EEB-B361-D83780BFE78C/0/PSEReport2006EN.pdf.

9 Usher, A. and Potter, A., *The State of the Field Review of Post-Secondary Education*, prepared by Educational Policy Institute, 2006, http://www.ccl-cca.ca/NR/rdonlyres/3093CF3C-C93B-49CC-995D-A01A778E44D6/0/SoFreviewonPSE.pdf.

enrol in a post-secondary institution or enter the labour force. In a weak economy, students may stay in school longer if jobs are scarce. In a thriving economy, students may be more willing to enter the labour market because jobs with good salaries are available. Other external factors include the location and cost of programs of study, inflation, the cost of living, and the cost of borrowing for both students and the Government of Canada.

Over the long term, a variety of family background factors, such as income, parents' education and family structure, all have an impact on whether a person chooses to pursue post-secondary education.[10] The *Actuarial Report on the Canada Student Loans Program as at 31 July 2008* projects that over the next 10 years, the population aged 18 to 34 enrolled full-time in post-secondary education will decrease, while the loan uptake rate will increase due to demographic changes.[11]

1.3 GOVERNMENT FUNDING

Though the CSLP is the largest program offering student financial assistance to Canadians, others exist at the federal, provincial and territorial levels. Other federal programs and initiatives related to post-secondary education include:

- The Canada Education Savings Grant encourages Canadians to save for their children's post-secondary education by awarding grants to beneficiaries of Registered Education Savings Plans (RESP).
- The Canada Learning Bond provides a grant to low-income families to begin an RESP and encourages parents to save for their children's post-secondary education.
- Individuals who receive Employment Insurance benefits can be eligible for courses, training programs or other employment activities to make it easier for them to return to the labour market, while still receiving income support during that period. This service is either co-managed with the provinces and territories or provided by the provinces and territories through federal transfer payments.
- The Canada Millennium Scholarship Foundation encourages a high level of student achievement and engagement in Canadian society. Millennium bursaries either reduce recipients' student debt or address their unmet need, according to the agreement in place with each provincial or territorial government that distributes the bursary. Millennium access bursaries are targeted at students from groups that are traditionally underrepresented in post-secondary education, including Aboriginal Canadians, students from low-income families, and others whose parents have not attended post-secondary education.
- The federal government also offers programs for First Nation and Inuit students, official languages programs, and other targeted programs through other departments. Tax relief measures are another important feature that helps students and their parents with the cost of post-secondary education. See **Appendix L** for more details.

Provincial/Territorial and Other Funding

The Canada Social Transfer is a federal block transfer of funds to provinces and territories in support of post-secondary education, social assistance and social services. Provincial and territorial governments also offer loans, grants, scholarships, tax credits and repayment assistance measures. Students may also apply for scholarships and bursaries from their educational institutions and may apply for loans from financial institutions.

10. Rahman, A., Situ, J., and Jimmo, V., *Participation in Postsecondary Education: Evidence from the Survey of Labour and Income Dynamics*, Statistics Canada, October 2005, Catalogue no. 81-595-MIE – No. 036.
11. Office of the Chief Actuary, *Actuarial Report on the Canada Student Loans Program as at 31 July 2008*, http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/reports/oca/CSLP_2008_e.pdf.

CHAPTER 2. CANADA STUDENT LOANS PROGRAM

2.1 LOAN REGIMES

The Canada Student Loans Program (CSLP) provides loans and grants to students in need so that they can attend post-secondary education.[12] About 4.3 million students have received almost $32 billion in student loans since the Program was launched in 1964.

The CSLP was originally created under the *Canada Student Loans Act*. Until 1995, student loans were issued under the guaranteed loans regime, in which financial institutions such as banks administered the loans and the loan repayment process. In return, the Government of Canada guaranteed each Canada Student Loan that was issued by reimbursing the financial institution the full amount of loans that went into default.

Beginning in 1995, when the *Canada Student Financial Assistance Act* was introduced, loans were issued under the risk-shared loans regime. This means that financial institutions assumed responsibility for the possible risk of defaulted loans in return for a fixed payment from the Government.

Since August 1, 2000, Canada Student Loans have been issued under the direct loans regime. The *Canada Student Financial Assistance Act* was amended to allow the Government of Canada to finance loans directly through the CSLP. Under direct lending, private third-party service providers administer loans and repayments. The Act allows the CSLP to have more control over the repayment process and to be able to offer non-repayable grants to targeted students with demonstrated financial need.

Because no new loans are being distributed under the guaranteed and risk-shared loan regimes, all guaranteed loans are expected to be phased out by 2019, and risk-shared loans are expected to be phased out by 2025.[13] Until borrowers finish repaying loans from these previous regimes, a small percentage of borrowers may hold Canada Student Loans from more than one regime and make separate payments for each.

The CSLP portfolio includes all loans that have yet to be paid back, including loans held by students who are still in school. The total value of the portfolio, including guaranteed, risk-shared and direct loans, was $12 billion on March 31, 2008. This represented a net $409 million increase since March 31, 2007.

Graph 1 (p. 10) shows the distribution of loans based on the regime under which they were issued: 1% in guaranteed, 20% in risk-shared and 79% in direct loans. Forty-one percent of the Canada Student Loan portfolio is held by borrowers in study,[14] for a total of about $4.9 billion, while the remaining 59% is held by borrowers in repayment (**Appendix A**, p. 45).

2.2 GRANTS

Canada Study Grants were introduced in 1995–1996 and provide assistance to eligible students with dependants, students with permanent disabilities, high-need part-time students and female students pursuing doctoral studies in areas in which women are traditionally underrepresented.

Canada Access Grants for Students with Permanent Disabilities and Canada Access Grants for Students from Low-Income Families were introduced in 2005–2006.

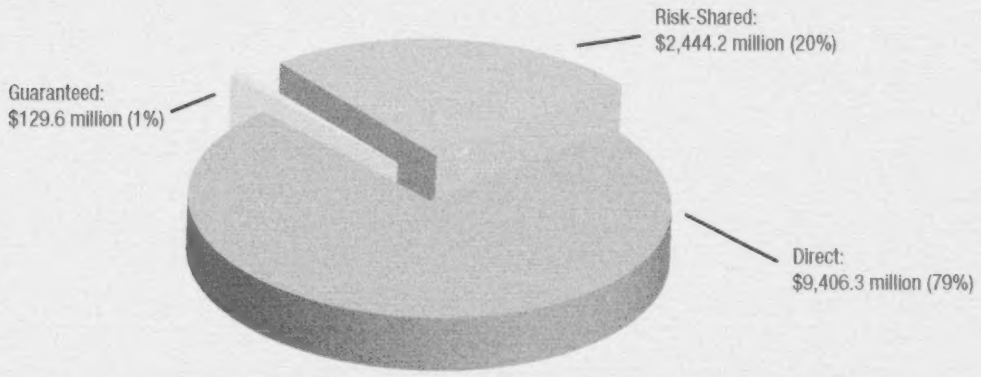
In the 2007–2008 loan year, the CSLP awarded 80 681 grants for a total value of about $142 million.

12 Post-secondary education includes public education institutions (university or community college) and private education institutions (trade school, private vocational school and/or career college).

13 Office of the Chief Actuary. *Actuarial Report on the Canada Student Loans Program as at of 31 July 2008*, http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/reports/oca/CSLP_2008_e.pdf.

14 "In study" refers to borrowers who are still attending a post-secondary institution or are within six months of finishing school (grace period).

Graph 1: CSLP Loan Portfolio by Loan Regime (as of March 31, 2008)



To date, nearly 600 000 Canada Access Grants and Canada Study Grants with a total value of over $986 million have been disbursed.

Significant improvements to the grants that the CSLP offers students were announced in the 2008 federal budget. These enhancements will be discussed in sections 3.1 and 5.3.

2.3 PARTNERS AND STAKEHOLDERS

Human Resources and Skills Development Canada is the federal department responsible for managing the CSLP, which delivers loans and grants to students through numerous partnerships.

Delivery partners include all provinces and territories (except Quebec and Yukon), contracted private sector service providers, Public Works and Government Services Canada, Service Canada, Canada Post and the Canada Revenue Agency.

Provincial and Territorial Partners

The Government of Canada funds 60% of a borrower's loan up to a maximum of $210 per week of study. Provinces and territories provide the remaining funding for students in their jurisdiction, and they process loan applications based on demonstrated financial need. If eligible, students could receive a Canada Student Loan, Canada Study Grant and/or Canada Access Grant, in addition to provincial/territorial student loans and/or grants.

Quebec, Nunavut and the Northwest Territories do not participate in the CSLP, but receive alternative payments from the Government of Canada to operate their own student financial assistance programs.

The Government of Canada has been working with the participating provinces and territories to integrate the administration of the CSLP and provincial loan programs and to provide a one-student, one-loan approach. As a result of the integration agreements that the CSLP has with four provinces—Ontario, Saskatchewan, Newfoundland and Labrador, and New Brunswick—about 67% of borrowers can manage their loans and make payments on both their federal and provincial loans at the same time, to the same place. Borrowers who hold a loan from a province or territory without an integration agreement have to make separate loan payments for their provincial/territorial loan and their Canada Student Loan.

The CSLP co-chairs the Intergovernmental Consultative Committee on Student Financial Assistance. This federal/provincial/territorial committee pursues ongoing consultations on policy

and program development. Its members meet at least twice a year to discuss basic administrative criteria and coordinate their respective programs and policies. The committee also establishes federal/provincial/territorial working groups to deal with specific issues about student financial assistance.

Service Providers

In addition to working with provinces and territories, the CSLP contracts a private sector service provider to manage borrower accounts and operate under the name of the National Student Loans Service Centre (NSLSC).[15] The service centre is the main point of contact for borrowers in managing their loans, and it serves them through different phases of the loan cycle, from loan disbursement to repayment and repayment assistance. Borrowers in integrated provinces deal with the as a single point of contact for their federal and provincial student loans.

Stakeholders

One of the main ways that the CSLP consults with stakeholder groups is through the National Advisory Group on Student Financial Assistance. This group gives student associations, educational organizations and student financial aid administrators a way to let government know their views on the policies and practices related to federal student financial assistance. They typically meet twice a year to discuss specific issues and to provide input on policy development and program delivery. Various provincial/territorial stakeholders and members of the academic community are also consulted regularly.

15 The public and private loan portfolios were managed by two service providers, EDULINX Canada Corp. and Resolve Corp., until May 2007. In May 2007, Resolve acquired EDULINX and began to manage both portfolios.

CHAPTER 3. ENHANCEMENTS TO POST-SECONDARY EDUCATION

3.1 FEDERAL BUDGET CHANGES

This section highlights changes to federal programs affecting post-secondary education that came into effect or were announced in the 2007–2008 loan year. In February 2008, the federal government tabled its budget for 2008, which included important changes aimed at improving access to post-secondary education and services for students.

Budget 2008 provided for:

- A $350 million investment in a new Canada Student Grants Program in 2009–2010 (rising to $430 million in 2012–2013). The new program is expected to reach 245 000 college and undergraduate university students per year, beginning August 1, 2009. The Canada Student Grants Program replaces the grants offered by the Canada Millennium Scholarship Foundation, which will expire in 2009, and consolidates existing federal grants for students, such as the Canada Study Grants and Canada Access Grants. It will provide:
  - grants of $250 per month for students from low-income families;
  - grants of $100 per month for students from middle-income families; and
  - grants for students with permanent disabilities and students with dependants.
- The introduction of the new Repayment Assistance Plan beginning on August 1, 2009. This plan will be available to borrowers who are having difficulty paying their student loans. The Repayment Assistance Plan will make it easier for students to manage their loan debt by paying back what they can reasonably afford, based on family size and family income. Interest Relief and Debt Reduction in Repayment measures will be replaced by the Repayment Assistance Plan.
- Improvements to services for students with permanent disabilities, for example by creating the Repayment Assistance Plan for Borrowers with a Permanent Disability and making changes to loan forgiveness regulations.
- A commitment of $123 million over four years starting in 2009–2010 to streamline and modernize the Canada Student Loans Program (CSLP). Measures will include improved online services, simplified application and repayment processes, and improved communication with students.
- Administrative changes to the CSLP that will allow the flexibility to correct administrative errors, accept documents beyond prescribed deadlines and allow repayment to be deferred for students who remain in full-time studies beyond the maximum number of weeks of loan funding and in-study interest-free status.
- Improved loan access for married students or students in common-law relationships through a reduction in the amount that spouses of student loan applicants are expected to contribute.
- Expanded support for part-time students. Part-time students will not have to start repaying interest accumulating on their student loan while they are in school, and the maximum total amount of loans for part-time students will increase from $4,000 to $10,000.
- Enhanced flexibility of Registered Education Savings Plans (RESP) through an increase in the time they may remain open, from 25 years to 35 years, and the extension of the maximum contribution period by 10 years.

Budget 2007 provided for:

- An additional $800 million in annual support for post-secondary education, for a total annual transfer of $3.2 billion to the provinces and territories by 2008–2009. This represents a 40% increase in total transfer support for post-secondary education, and federal support will grow by 3% every year hereafter.
- A review of the CSLP aimed at modernizing and simplifying it. This review led to a number of changes to student financial assistance in Canada; these changes were announced in Budget 2008.
- Enhancements to RESPs:
  - › eliminating the $4,000 limit on annual contributions;
  - › increasing the lifetime RESP contribution limit from $42,000 to $50,000; and
  - › increasing the maximum Canada Education Savings Grant annual amount from $400 to $500.

Budget 2006 provided for:

- $370 million in new investments over two years to help foster excellence in and accessibility to post-secondary education.
- Additional funding of up to $1 billion to provinces and territories to promote innovation in and accessibility to post-secondary education.
- A consultation between the Minister of Human Resources and Skills Development and the provinces and territories on objectives, roles and accountability for post-secondary education and training.
- Increased direct supports to students and their families. For example:
  - › Eligibility for Canada Student Loans was expanded, effective August 2007, to allow more students from families in the $65,000 to $140,000 income range to access Canada Student Loans. This represented a 17% increase, on average, of the minimum income threshold at which parents are expected to contribute to their children's education. In the 2007–2008 loan year, 9 447 more loans were awarded than in 2006–2007.
  - › A new tax credit for textbooks was created to provide a tax reduction of $65 per month for full-time post-secondary students and $20 per month for part-time students.
  - › The $3,000 limit on the amount of scholarship, bursary and fellowship income a post-secondary student can receive without paying federal income tax was eliminated.

3.2 ADVANTAGE CANADA

The Government of Canada's long-term economic plan, Advantage Canada, sets the goal of developing a knowledge advantage for Canada—one that will create the best-educated, most-skilled and most flexible workforce in the world. Under this plan, which was unveiled in 2006, the Government of Canada has committed to maintaining Canada's position as the OECD leader in the proportion of the population with a university or college education by:

- strengthening the quality and competitiveness of the post-secondary education system by providing stable funding to provinces and territories;
- working with provinces and territories to develop shared objectives, clarify roles and responsibilities, and enhance public accountability;
- modernizing Canada's system of student financial assistance; and
- promoting the excellence of Canada's post-secondary education system to attract the best foreign students.

3.3 PROGRAM CHANGES

The New Service Provider Contract

With the introduction of direct loans in 2000, Canada Student Loans were administered by two separate private sector service providers. They operated as the National Student Loans Service Centre for Canada Student Loans (and loans issued by integrated provinces). Resolve Corporation served borrowers attending private post-secondary institutions, and EDULINX Canada Corporation served borrowers attending public institutions.

In December 2006, following a competitive procurement process, the CSLP signed a new contract with a single service provider, Resolve Corporation, to deliver and administer Canada Student Loans. The move to a single service provider as of March 2008 simplified the administration of the Program and improved services for borrowers.

The new service provider contract is a significant improvement in performance management, because it is performance-based. This means that the service provider can gain or lose a significant amount of funding based on its performance in areas such as reducing default and improving client satisfaction. The new contract makes it profitable for the service provider to improve the service it offers the CSLP and borrowers.

PART II
PROGRAM ACTIVITIES

CHAPTER 4. BEFORE POST-SECONDARY EDUCATION

4.1 AWARENESS

Through various outreach initiatives such as CanLearn.ca, the Canada Student Loans Program (CSLP) informs students and families of the costs and benefits of post-secondary education and the financing options available to students. The CSLP also improves awareness of the Government's targeted grants for students who have traditionally faced barriers accessing post-secondary education. Chapter 7 discusses program results related to awareness.

CanLearn.ca

The CSLP uses information technologies and online services to increase awareness and fulfill a commitment to service excellence. A central element of this commitment is CanLearn.ca, the Government of Canada's online source for information and tools on post-secondary learning resources in Canada. This site provides Canadians with integrated services, tools and information that help them to save, plan and pay for post-secondary education. CanLearn.ca provides:

- the resources (from interactive planning tools to information about savings programs, student loans and scholarships) Canadians need when they are making important decisions about saving for, selecting and financing their post-secondary education; and
- the opportunity for provincial and territorial governments, learning institutions and other organizations to collaborate on providing information and planning tools for Canadians.

CanLearn.ca also links to the National Student Loans Service Centre Web site, which allows students to view and monitor details of their loan.

In 2007–2008, CanLearn.ca underwent a major redesign to enhance existing resources and broaden the scope of the information and services offered on the site. The redesign ensures that the CSLP is delivering its messages to clients effectively and is providing access to learning-related government programs and services.

Student Ambassadors Program

From May to August 2007, the CSLP continued to partner with the Service Canada Centres for Youth in Nova Scotia on the Student Ambassadors Program pilot project. Through the Service Canada Centres for Youth, post-secondary summer students were hired as youth employment officers to deliver information to high school students about CanLearn.ca, Canada Student Loans, grants, and the importance of planning for post-secondary education. These duties were in addition to their regular work, which involved providing employment and job search support to students. Approximately 1 450 students were reached across Nova Scotia.

Getting the Message Out

A CSLP/CanLearn.ca exhibit traveled to education and career fairs, stakeholders' conferences and high school information fairs across the country. At these events, Program representatives distributed CSLP publications, helped event attendees navigate the CanLearn Web site, and answered questions on student financial assistance. Between April 1, 2007, and March 31, 2008, CSLP officials attended 16 events in six provinces.

The Pan-Canadian Communications Campaign is a social marketing initiative developed by the federal government in partnership with the provinces and territories. It encourages families to plan and save for post-secondary education. The Pan-Canadian Campaign and the federal-only Canada Education Savings Plan "Plan and Save" campaign were combined to maximize advertising dollars while focusing on the importance of planning and saving for post-secondary education. The campaigns directed people to CanLearn.ca and 1 800 O-Canada for more information.

Year three of the campaign (Pan-Canadian and Canada Education Savings Plan) ran from September to November 2007. The federal government placed television ads; provincial and territorial governments placed local radio and newspaper ads, as well as billboards in Saskatchewan. Advertisements directed their audience to CanLearn.ca and 1 800 O-Canada for more information.

4.2 SIMPLIFYING THE LOAN APPLICATION PROCESS

Because Canada Student Loan borrowers are often first-time borrowers, the CSLP strives to make the application process easier to understand.

Integration Agreements

The CSLP has integrated the federal student loan process with the provincial process in four provinces: Saskatchewan, Ontario, New Brunswick, and Newfoundland and Labrador. Integration can lead to many improvements for borrowers, such as reduced paperwork and a single set of common repayment assistance measures. As a result, students have one loan administered by one organization and make only one payment when repaying their integrated student loans. This streamlines and modernizes the loan process.

In addition to integration agreements, memoranda of understanding have been signed between the CSLP and Newfoundland and Labrador and Saskatchewan to extend the joint administration of student financial assistance so that the federal government will collect on defaulted provincial student loans.

CHAPTER 5. DURING POST-SECONDARY EDUCATION

5.1 STUDENT LOAN DISBURSEMENTS

The Government of Canada pays the interest on loans for full-time students while they are in school, even if they do not have a student loan for the current school year.[16] In the 2007–2008 loan year, more than 463 000 borrowers received in-study interest subsidies.

Part-time students do not need to make payments on the principal of their loan while they are in school. In 2007–2008, part-time students were required to make payments on the interest of their loan while in study. However, as a result of changes announced in Budget 2008, part-time students will no longer have to make interest payments while in study as of August 1, 2009.

5.1.1 LOAN DISBURSEMENTS TO FULL-TIME STUDENTS

In 2007–2008, the Canada Student Loans Program (CSLP) disbursed loans to approximately 35% of all full-time post-secondary students in participating Canada Student Loan jurisdictions.[17] The CSLP provided $2 billion in loans to 352 708 full-time students. The number of borrowers and the value of the loans disbursed were slightly higher compared to previous years **(Table 1)**.

5.1.2 LOAN DISBURSEMENTS TO PART-TIME STUDENTS

In 2007–2008, $2.8 million was disbursed to part-time students, who accounted for 0.4% of the total borrower population. The number of part-time student borrowers has continued to decrease over the last three years. Part-time student borrowers received an average loan of $1,948, which is a slight increase compared to the previous loan year. The low average loan amount may be partly attributed to the following three factors that could have reduced the amount of a student's loan: assistance for part-time students was up to a cumulative amount of $4,000; part-time student borrowers were required to pay interest while in school; and part-time student borrowers were eligible for Canada Study Grants for High-Need Part-Time Students.

Table 1: Canada Student Loan Disbursements

Loan Year: August 1 to July 31

Status	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
Full-Time	343 638	1,935.0	5,631	343 261	1,927.1	5,614	352 708	2,012.5	5,706
Part-Time	2 127	3.8	1,795	1 863	3.5	1,880	1 436	2.8	1,948
Total	345 765	1,938.9	N/A	345 124	1,930.7	N/A	354 144	2,015.3	N/A

** The increase in the average loan amount from the 2004–2005 loan year can be partly attributed to the increase in the weekly loan limit from $165 to $210 that came into effect in the 2005–2006 loan year. The weekly limit was increased to better respond to the rising cost of post-secondary education and reduce students' reliance on private borrowing.

16 Full-time student borrowers can receive Canada Student Loans and in-study interest subsidies up to a lifetime limit of 340 weeks (after August 1, 1995). Borrowers who reach the lifetime limit while still in school are required to begin repaying their Canada Student Loan.

17 Office of the Chief Actuary, *Actuarial Report on the Canada Student Loans Program as at 31 July 2008*, http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/reports/oca/CSLP_2008_e.pdf.

5.2 DEMOGRAPHIC PROFILE OF CANADA STUDENT LOAN BORROWERS

Where students go to study, their level of study, their age, gender and marital status, and what institution they choose all provide insight about who is receiving Canada Student Loans. Knowing who is borrowing allows the CSLP to provide better service, facilitate access to post-secondary education and contribute to improved repayment of loans.

Information on the demographic characteristics of borrowers can be found in the appendices.

5.2.1 BORROWERS BY PROVINCE OR TERRITORY

More than half of all full-time Canada Student Loan borrowers (59%) were from Ontario in the 2007–2008 loan year. British Columbia had the second-highest number of borrowers (14%). Ontario's number of borrowers increased by 8%, and P.E.I.'s increased by 2.8%, while the rest of the participating jurisdictions experienced decreases. Saskatchewan had the most significant decrease (11%) in the number of borrowers since 2006–2007.

Prince Edward Island had the greatest increase in the average loan amount for the past year with an increase of 6%. Borrowers from Prince Edward Island also had the highest average loan amount ($7,457), while borrowers in Newfoundland and Labrador borrowed the least ($5,127) **(Table 2)**.

Loans to Part-Time Students by Province/Territory

Ontario also had the highest percentage of all part-time student borrowers at 37%, followed by British Columbia at 20%. On average, part-time student borrowers from British Columbia borrowed the most ($2,473), compared to the national part-time loan average of $1,948 (**Appendix B**, p. 46).

Table 2: Loans to Full-Time Students by Province/Territory

Loan Year: August 1 to July 31

Province/ Territory	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
NL	9 640	49	5,110	8 887	46	5,146	8 570	44	5,127
PE	3 239	21	6,541	3 206	23	7,035	3 297	25	7,457
NS	15 895	107	6,739	15 477	103	6,629	15 137	102	6,745
NB	15 918	89	5,576	15 676	91	5,831	15 446	88	5,712
ON	182 016	971	5,336	192 875	1,035	5,366	207 694	1,146	5,518
MB	9 305	49	5,238	8 496	44	5,210	8 212	43	5,249
SK	13 245	81	6,102	12 346	74	5,997	11 000	66	5,998
AB	37 844	215	5,682	33 779	189	5,607	33 183	190	5,740
BC	56 306	351	6,242	52 298	321	6,136	49 966	307	6,142
YT	230	1	6,119	221	1	6,100	203	1	5,855
Total	**343 638**	**1,935**	**5,631**	**343 261**	**1,927**	**5,614**	**352 708**	**2,013**	**5,706**

5.2.2 MOBILITY: WHERE BORROWERS GO TO STUDY

One of the benefits of the CSLP is that students can include moving and living costs associated with changing location for post-secondary education in the needs assessment process. Canada Student Loans are portable, which gives borrowers the opportunity to attend the post-secondary institution of their choice anywhere in the country.

Almost nine out of ten (89%) full-time student borrowers remained in their home province or territory to study in the 2007–2008 loan year. Ontario borrowers were the most likely (94%) to remain in their home province or territory to study, followed by borrowers in British Columbia (87%). This has been consistent over the last four years.

The situation is almost reversed for Yukon: 87% of borrowers studied outside the territory in 2007–2008. Borrowers from Prince Edward Island remained the second most mobile borrowers in Canada, at 40%. Borrowers in certain provinces and territories may have higher mobility because there are few post-secondary institutions and a limited selection of programs in those jurisdictions, or they may prefer specific institutions outside their home province or territory.

Borrowers from the Atlantic provinces who left their home province to study tended to remain in Atlantic Canada or go to Ontario. Similarly, mobile borrowers in Western Canada tended to stay in the region or go to post-secondary institutions in Ontario. **Appendix C** (p. 47) describes borrower mobility by province/territory and shows where borrowers study when leaving their home province/territory.

Borrowers who attended private institutions were most mobile, with 15% pursuing post-secondary education outside their home province or territory, while only 4.5% of college borrowers left their home province **(Table 3)**.

Table 3: Borrower Mobility by Type of Institution

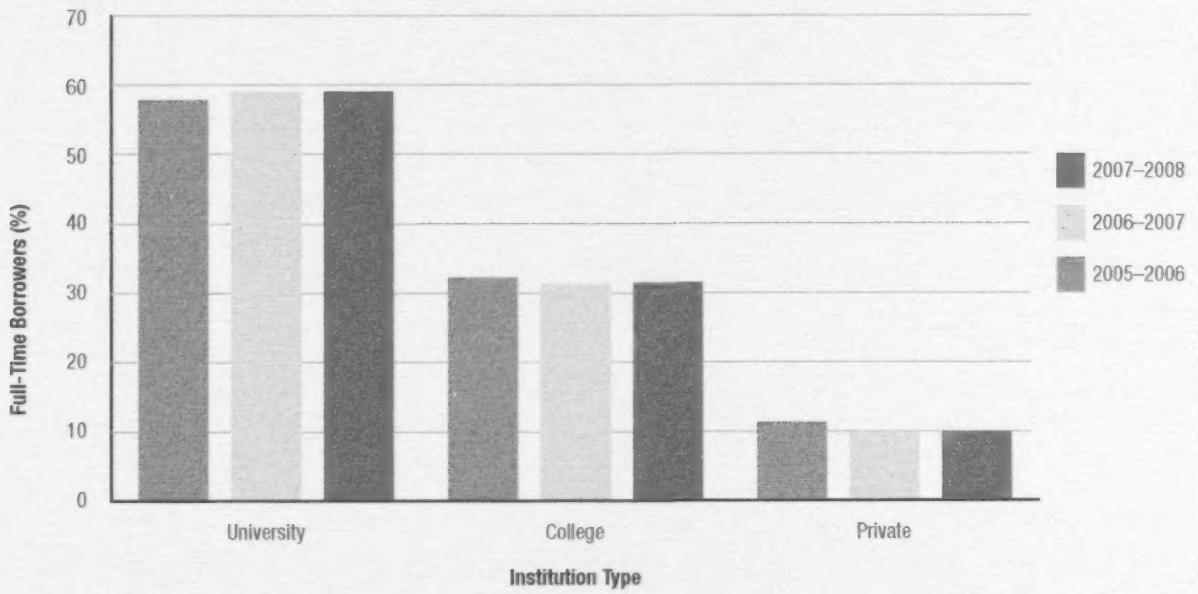
Loan Year: August 1 to July 31

Institution Type	2005–2006 Borrowers					2006–2007 Borrowers					2007–2008 Borrowers				
	Remaining in Home Province		Moving Outside Home Province		Total	Remaining in Home Province		Moving Outside Home Province		Total	Remaining in Home Province		Moving Outside Home Province		Total
	#	% Total	#	% Total		#	% Total	#	% Total		#	% Total	#	% Total	
University	169 579	85.8	27 987	14.2	197 566	172 992	86.0	28 198	14.0	201 190	180 258	86.1	29 001	13.9	209 259
College	103 826	94.9	5 751	5.1	109 397	101 483	95.1	5 204	4.9	106 687	104 347	95.5	4 905	4.5	109 252
Private	32 029	86.5	4 991	13.5	37 020	30 393	85.9	4 991	14.1	35 384	29 221	85.4	4 976	14.6	34 197
Total**	305 434	88.9	38 549	11.2	343 638	304 868	88.8	38 393	11.2	343 261	313 826	89.0	38 882	11.0	352 708

** Overall numbers of borrowers for institutions are slightly greater than total numbers as borrowers may have taken loans from more than one type of institution.

Graph 2: Full-Time Student Borrowers by Type of Institution

Loan Year: August 1 to July 31



5.2.3 BORROWERS BY TYPE OF INSTITUTION

In 2007–2008, the distribution of borrowers remained the same as in 2006–2007, with 59% of full-time student borrowers attending university, 31% attending college and 10% attending a private institution **(Graph 2)**.

Borrowers attending a private institution continued to have the highest average loan ($7,156); borrowers from college had the lowest at $5,143 **(Appendix D, p. 48)**.

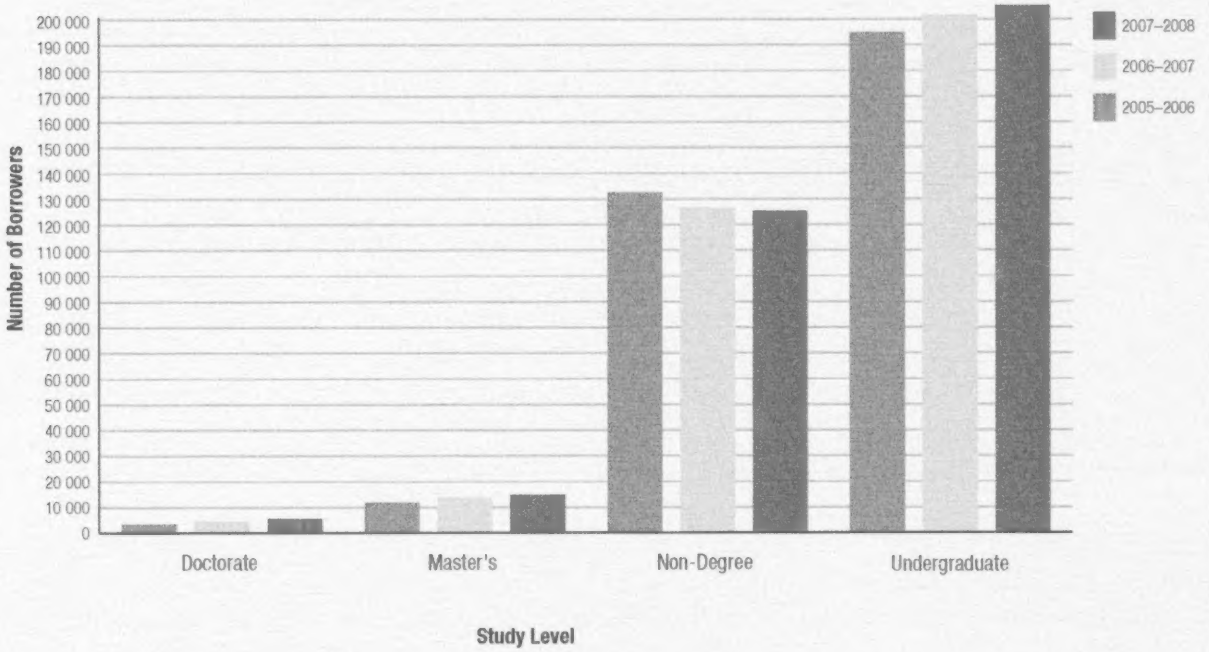
Part-Time Student Borrowers by Type of Institution

In the 2007–2008 loan year, 50% of all part-time student borrowers attended university, 33% attended college and 17% attended a private institution. Compared to last year, there was a decrease in the proportion of borrowers attending colleges and an increase in the proportion attending private institutions.

The average loan for part-time students was $1,948. Average loan value varied greatly between institution types. Part-time students attending private institutions borrowed the most, with an average of $3,120, which is almost double the amount borrowed by part-time students attending college ($1,651). Part-time university students borrowed an average of $1,745 **(Appendix B, p. 46)**.

Graph 3: Full-Time Student Borrowers by Study Level

Loan Year: August 1 to July 31



5.2.4 BORROWERS BY STUDY LEVEL

Most full-time student borrowers (59%) were enrolled in undergraduate programs, while 36% were enrolled in non-degree-granting programs at private institutions, colleges or universities. Five percent of full-time student borrowers were master's or doctoral students **(Graph 3)**. These proportions are similar to those from 2006–2007.

Unlike full-time student borrowers, a majority of part-time borrowers (53%) were enrolled in non-degree-granting-programs, a 1% increase compared to 2006–2007 (**Appendix E**, p. 49).

Streamlining and Modernizing the Canada Student Loans Program

Budget 2008 committed $123 million over four years starting in 2009–2010 to streamline and modernize the Canada Student Loans Program. Improvements introduced include an enhanced Repayment Assistance Plan and a commitment to simplify the delivery of student financial assistance. These measures will help students get information on their loans and grants, manage their loans, apply for repayment assistance measures and repay their loans more easily. In collaboration with the provinces and territories, the Government of Canada will implement several new measures beginning in the 2009–2010 school year.

- Improved online services: These new services will enable students to view up-to-date information on their federal and/or provincial/territorial loans all in one place. They will provide a single point of access to important information such as loan status and balance.

- Simplified and streamlined processes: Students will experience a reduction in duplication as more processes are streamlined. Instead of needing a new agreement every year, students will have only one loan agreement—called a "master loan agreement"—that covers all the years in the study period. This new master loan agreement will automatically confirm that students are enrolled in school for future years of study; students will no longer have to fill out forms every year to confirm this. Students will also be able to make a single payment for all federal and/or provincial/territorial loans, and if they need to, they will be able to apply for repayment assistance online.

- Better-coordinated communications: Communications with students will be harmonized to eliminate repetitive and duplicate correspondence. Clearer communications will help ensure that students:
  - will get their loans when they need them; and
  - won't jeopardize their credit ratings when the time comes to pay their loans back.

Canada Student Grants Program

Budget 2008 provided an investment of $350 million in 2009–2010 (rising to $430 million in 2012–2013) for a new Canada Student Grants Program. More than 245 000 college and undergraduate university students are expected to benefit from the new grants each year.

Under the new program, federal grants, including the Canada Access Grant and the Canada Study Grant, will be combined to provide more effective support for students and to improve assistance for Canadian families who struggle with the cost of higher education. These grants will be predictable and easy to apply for, and they will be provided to students at the beginning and in the middle of the school year.

Canada Student Grants will include new grants for students from low- and middle-income families, part-time students, students with permanent disabilities, and students with dependants. Students may be eligible for more than one of these grants, which do not need to be paid back.

The new Canada Student Grants Program will be made available to students in fall 2009. For more information, visit CanLearn.ca.

5.3 GRANT DISBURSEMENTS

Grants are another important form of student financial assistance. They provide money that does not need to be paid back. A 2008 survey indicated that 20% of the students who received government study grants (federal or provincial/territorial) would not have attended a post-secondary institution that year if they had not received a grant. Another 29% of grant recipients would have changed their plans drastically, such as by attending another institution or studying part time.[18]

In the 2007–2008 loan year, the CSLP issued 80 681 Canada Access Grants and Canada Study Grants for a total value of about $142 million. Although fewer grants were issued than in 2006–2007 (when 87 368 grants were provided), the same dollar value was disbursed.

5.3.1 CANADA STUDY GRANTS

Canada Study Grants provide assistance to eligible students with dependants, students with permanent disabilities, high-need part-time students and female students pursuing doctoral studies in programs in which women are traditionally underrepresented (**Table 4**, p. 24).

Canada Study Grant for Students with Dependants

In August 1998, this grant was introduced to help full-time and part-time students with dependants. Eligible full-time students may qualify for a grant of up to $3,120, while part-time students may qualify for a grant of up to $1,920 per loan year. Students will only be awarded this grant after the High-Need Part-Time Canada Study Grant and the maximum federal part-time loan assistance have been issued.

In the 2007–2008 loan year, 30 169 Canada Study Grants for Students with Dependants were issued, for a total of $46 million. This is a decrease from the $49 million issued through 32 758 grants in 2006–2007.

18 Createc+: Special Investment Fund – 2008 CSLP Survey of Canadian Youth, May 2008.

Table 4: Canada Study Grants Awarded, 2007–2008

Loan Year: August 1 to July 31

Province/ Territory	Students with Dependants (Full-Time and Part-Time)		Students with Permanent Disabilities		High-Need Part-Time Students		Females Pursuing Doctoral Studies		Total	
	No. of Grants	Value ($ Thousands)	No. of Grants	Value ($ Thousands)	No. of Grants	Value ($ Thousands)	No. of Grants	Value ($ Thousands)	No. of Grants	Value ($ Thousands)
NL	455	567	57	225	10	12	*	*	523	806
PE	138	186	75	190	146	144	*	*	363	532
NS	829	1,301	487	1,518	12	13	15	39	1 343	2,872
NB	1 122	1,530	366	827	32	32	19	55	1 539	2,444
ON	16 582	25,706	4 830	11,609	229	231	146	438	21 787	37,984
MB	889	1,302	141	486	44	50	*	*	1 079	1,851
SK	1 662	2,519	251	1,110	32	33	10	30	1 955	3,692
AB	3 108	4,610	644	2,768	193	140	54	158	3 999	7,677
BC	5 358	8,207	467	1,506	1 871	1,904	89	256	7 785	11,873
YT	26	37	*	*	*	*	0	0	29	44
Total	**30 169**	**45,965**	**7 320**	**20,245**	**2 570**	**2,560**	**343**	**1,004**	**40 402**	**69,774**

* Numbers of grants lower than 10 have been suppressed.

Notes: 1. Figures exclude grants that have been awarded by provincial/territorial governments.
2. A student may receive more than one type of grant. As a result, the average amount disbursed to each student cannot be calculated.

Canada Study Grant for the Accommodation of Students with Permanent Disabilities

This grant was created in 1995 to help students offset the exceptional education-related costs associated with permanent disability. Full-time and part-time students with permanent disabilities may qualify for a grant of up to $8,000 per loan year for as long as they are eligible for loans. In the 2007–2008 loan year, 7 320 Canada Study Grants for the Accommodation of Students with Permanent Disabilities were issued. Although this is a decrease from the 11 956 grants issued last year, approximately the same dollar value was disbursed ($20 million).

Canada Study Grant for High-Need Part-Time Students

This grant became available in 1995 to assist students in part-time studies whose income falls below a prescribed threshold. The maximum grant available to qualifying students is $1,200 in any given loan year to cover allowable education costs (such as expenses for tuition, books and child daycare).

In the 2007–2008 loan year, 2 570 Canada Study Grants for High-Need Part-Time Students were issued, for a total of $2.6 million. This is a decrease from the $2.7 million issued through 2 848 grants in 2006–2007.

Canada Study Grant for Females Pursuing Doctoral Studies

Since 1995, this grant has assisted female students in certain doctoral programs in which women are traditionally underrepresented. These include certain areas of engineering and applied sciences, agriculture and biological sciences, mathematics and physical sciences, arts, social sciences, and related fields. Qualifying students are eligible for a maximum grant of $3,000 in any given loan year for up to three years of study.

In the 2007–2008 loan year, 343 Canada Study Grants for Females Pursuing Doctoral Studies were issued, for a total of $1 million. This is an increase from the $0.8 million issued through 291 grants in 2006–2007.

5.3.2 CANADA ACCESS GRANTS

The Government of Canada introduced two new grants in 2005–2006: the Canada Access Grant for Students with Permanent Disabilities and the Canada Access Grant for Students from Low-Income Families **(Table 5)**.

Canada Access Grant for Students with Permanent Disabilities

This grant is available to full-time and part-time students who have permanent disabilities to help cover the costs of accommodation, tuition, books and other education-related expenses up to $2,000 per loan year. It replaces the Canada Study Grant for High-Need Students with Permanent Disabilities, which was accessible only to students with a maximum amount of loans. The new grant extends the benefit to students who are not at the loan limit.

In the 2007–2008 loan year, 14 376 Canada Access Grants for Students with Permanent Disabilities were issued, for a total of $26.7 million. This is an increase of 1 774 grants compared to 2006–2007 and 4 582 grants compared to 2005–2006. This growth is partially due to the extension of benefits to students who are not at the loan limit.

Canada Access Grant for Students from Low-Income Families

This grant is available to first-time borrowers enrolled in their first year of a program that lasts at least two years and leads to a certificate, diploma or degree at any designated post-secondary educational institution in Canada. The grant will cover half of tuition costs, up to a maximum of $3,000.

In the 2007–2008 loan year, 25 903 students from low-income families received this grant, for a total of $45 million.

Table 5: Canada Access Grants Awarded in 2007–2008

Loan Year: August 1 to July 31

Province/ Territory	Canada Access Grant: Permanent Disability		Canada Access Grant: Low-Income		Total	
	No. of Grants	Value ($ Thousands)	No. of Grants	Value ($ Thousands)	No. of Grants	Value ($ Thousands)
NL	187	337	847	527	1 034	863
PE	102	201	403	892	505	1,092
NS	958	1,820	958	2,146	1 916	3,966
NB	401	787	687	1,500	1 088	2,287
ON	9 718	18,051	18 655	31,941	28 373	49,992
MB	262	476	486	683	748	1,159
SK	596	1,139	446	1,035	1 042	2,174
AB	858	1,656	1 077	2,230	1 935	3,886
BC	1 291	2,180	2 341	4,374	3 632	6,554
YT	*	6	*	6	*	12
Total	**14 376**	**26,652**	**25 903**	**45,333**	**40 279**	**71,985**

* Numbers of grants lower than 10 have been suppressed.

Notes: 1. Figures exclude grants that have been awarded by provincial/territorial governments or equivalent Canada Access Grants awarded by non-participating provincial/territorial governments.

2. A student may receive more than one type of grant. As a result, the average amount disbursed to each student cannot be calculated.

CHAPTER 6. AFTER POST-SECONDARY EDUCATION

The Canada Student Loans Program (CSLP) wants to ensure borrowers are satisfied with the loan experience, and it continually seeks their feedback on programs and services. Since most student loan borrowers have never received a loan before, the CSLP believes in providing additional assistance in planning for repayment and understanding the repayment process. The CSLP also understands that some borrowers have difficulty repaying their loan and offers repayment assistance measures to help.

6.1 REPAYMENT

Once full-time student borrowers have finished their studies, interest begins to accumulate on their loan immediately, but no payments are required in the first six months. At the seventh month after the end of studies, the borrower's Canada Student Loans are consolidated and the borrower is said to be "in repayment." Loans are typically scheduled to be repaid through monthly payments over a 114-month (9.5-year) period, but borrowers may choose to pay more quickly or to extend the payment period up to a maximum of 14.5 years.

Fifty-nine percent of Canada Student Loans are held by borrowers in repayment, for a total of about $7 billion. Guaranteed loans account for only 2% of loans in repayment, risk-shared loans account for 33%, and 66% are direct loans that were issued by the Government of Canada since 2000. See **Appendix A** (p. 45) for details.

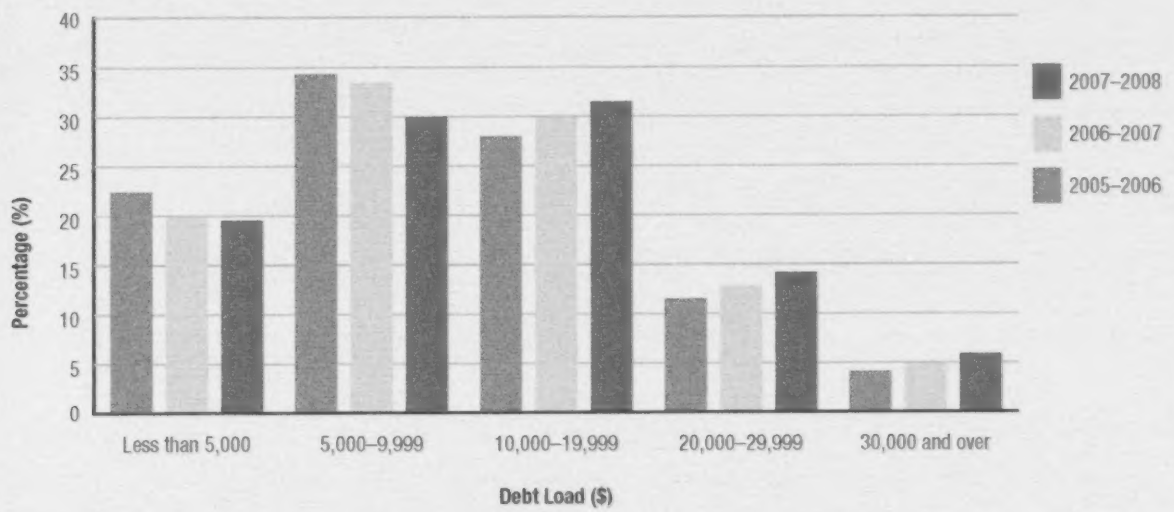
6.2 CANADA STUDENT LOAN INDEBTEDNESS

"Loan balances" refer to the amount borrowers owe once they begin repaying their loan. This includes any interest that may have accrued in the six months between the time borrowers complete their studies and consolidate their loan. It is important to note that loan balances described here reflect only the **federal** portion of a student loan. Borrowers may also have student loans from provinces/territories.

Borrowers who began repayment during the 2007–2008 loan year owed the CSLP an average of $12,881. This

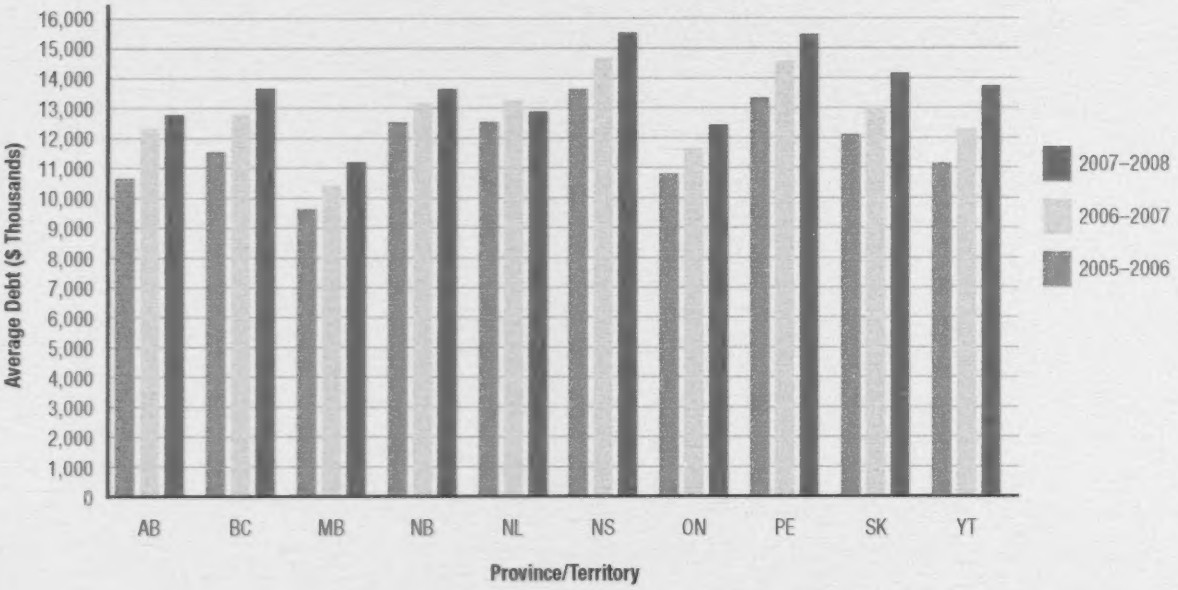
Graph 4: Canada Student Loan Indebtedness by Debt Load

Loan Year: August 1 to July 31



Graph 5: Average Indebtedness by Province/Territory

Loan Year: August 1 to July 31



amount is $649 higher than the amount owed by borrowers who entered repayment in 2006–2007. In general, borrowers from the Atlantic provinces, university borrowers, female borrowers, and borrowers in the 26 to 29 age category owed the most. In 2007–2008, 51% of borrowers owed the CSLP over $10,000 (31% owed between $10,000 and $19,999, and another 20% owed over $20,000) (**Graph 4**, p. 26). **Appendix I** (p. 53) provides more detail.

Indebtedness by Province/Territory

In 2007–2008, the average amount owing upon entering repayment increased in all participating provinces/territories except in Newfoundland and Labrador and in Yukon. **Graph 5** shows that borrowers from Manitoba owed the least ($11,015), while borrowers from Prince Edward Island owed the most ($15,534). Prince Edward Island and Saskatchewan had the largest increases in the amount owing ($865 and $862 respectively). Newfoundland and Labrador had a decrease of $117; Yukon experienced a decrease of $59 (**Appendix I**, p. 53).

Indebtedness by Type of Institution

In the 2007–2008 loan year, the overall average debt level was $12,881 for all post-secondary institutions (**Graph 6**, p. 28). Borrowers from all types of institution owed more than in 2006–2007.

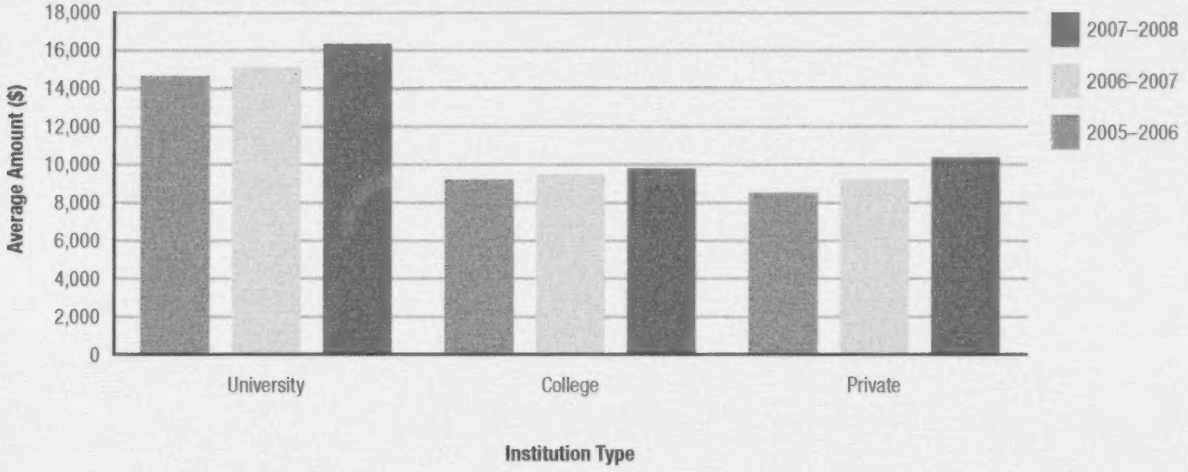
The average amount owed by university borrowers increased by $601 since the 2006–2007 loan year. They owed an average of $16,269 upon entering repayment. It is important to note that university programs tend to be longer and more expensive than college or private institution programs (**Appendix I**, p. 53).

In 2007–2008, college borrowers owed $320 more than in 2006–2007, for an average of $9,939.

Borrowers who attended private institutions owed $570 more than in 2006–2007, for an average of $10,152 (**Appendix I**, p. 53). Although private institution borrowers received the most per loan year while in school ($7,156), they owed less than borrowers from universities upon entering repayment. This is because they stayed in school for a shorter period of time and therefore accumulated lower amounts of debt than borrowers who attended university.

Graph 6: Average Indebtedness by Type of Institution

Loan Year: August 1 to July 31



6.3 REPAYMENT ASSISTANCE MEASURES

The CSLP aims to ensure that borrowers are aware of repayment assistance measures that are available if they have difficulty repaying their student loans. The client satisfaction survey of Canada Student Loan borrowers conducted in 2008 reported that the majority of borrowers surveyed (59%) were aware that the National Student Loans Service Centre offered repayment assistance options.[19]

Borrowers are considered to be in delinquency if they fail to make scheduled loan payments. Borrowers who continue to miss payments for a period longer than 270 days[20] are considered to be in default; defaulted loans are transferred to the Canada Revenue Agency for collection. The CSLP strongly encourages borrowers to discuss repayment assistance with the National Student Loans Service Centre if they have difficulty making payments or if they are behind in their payments.

Borrowers who experience financial difficulty can apply for a revision of terms; borrowers who have temporary financial difficulty repaying their loan can apply for Interest Relief; and borrowers who have prolonged financial difficulty can apply for Debt Reduction in Repayment after they exhaust the Interest Relief measure.

6.3.1 INTEREST RELIEF

Interest Relief provides short-term help to borrowers who experience temporary financial difficulty in repaying their Canada Student Loan. Under this measure, borrowers are not required to make payments on their Canada Student Loan for up to six months at a time. Interest does not accumulate on the loan during this time; the Government of Canada pays the interest on behalf of the borrower. There is a maximum of 30 months of Interest Relief during a loan repayment period. In addition, borrowers who use up the 30 months of Interest Relief may be eligible for up to 24 additional months of Interest Relief within the first five years of leaving studies.

19 Createc +: 2008 CSLP Client Satisfaction Survey, March 2008.

20 Period refers to direct loans. For guaranteed and risk-shared loans, a student loan is deemed to be in default when payments are in arrears for three months or more.

Repayment Assistance Plan

Budget 2008 announced the creation of the Repayment Assistance Plan, which will be available as of August 1, 2009. This plan will make it easier for student loan borrowers to manage their debt by ensuring that they can afford their loan payments.

The Repayment Assistance Plan is an optional program for students who have difficulty meeting their student loan payments. The Plan will ensure that:

- No borrower will be required to make a student loan payment above an affordable level.
- No payment will be required from borrowers with very low incomes.
- No borrower will have a repayment period exceeding 15 years (or 10 years if they have a permanent disability).
- Eligibility criteria will be simple and standardized, which will make it easier for borrowers to understand the requirements, determine whether they will be eligible and get the support they need.

The Repayment Assistance Plan replaces the Interest Relief and Debt Reduction in Repayment programs. Current Interest Relief and Debt Reduction in Repayment recipients will gradually be transitioned to the Repayment Assistance Plan.

An accelerated Repayment Assistance Plan will be available to borrowers with permanent disabilities. This plan will take into consideration the extra costs faced by these borrowers.

Note: Some provinces/territories administer their own repayment assistance measures that apply to provincial/territorial student loans.

For more information on the Repayment Assistance Plan, visit CanLearn.ca.

In 2007–2008, 116 530 individual borrowers benefited from Interest Relief. This is an increase of 11% (11 350 borrowers) over the 2006–2007 loan year. Note that some borrowers may have received more than one term of Interest Relief in a loan year. Interest Relief expenditures were $95.4 million in 2007–2008, an increase of 13% (**Appendix J**, p. 55).

Interest Relief by Monthly Family Income

A majority of borrowers (57%) who receive Interest Relief have a monthly family income of less than $500. This figure is slightly higher than in 2006–2007 (52%). Some borrowers with relatively higher monthly family income also qualify for the measure because of their high need; they either have more people in the same family, or they have a higher outstanding principal on their loan (**Table 6**, p. 30).

Interest Relief Recipients by Type of Institution

In the 2007–2008 loan year, 46% of all Interest Relief recipients had attended university, while 38% and 16% of all recipients attended college and private institutions respectively. This distribution is similar to last year's (**Appendix J**, p. 55).

Table 6: Interest Relief (IR) by Monthly Family Income

Loan Year: August 1 to July 31

Monthly Family Income ($)	2005–2006		2006–2007		2007–2008	
	IR Recipient Count	Proportion of Total IR Recipients (%)	IR Recipient Count	Proportion of Total IR Recipients (%)	IR Recipient Count	Proportion of Total IR Recipients (%)
Less than 500	35 830	35	54 215	52	66 833	57
500–999	24 585	24	27 335	26	30 160	26
1,000–1,499	17 640	17	12 781	12	11 664	10
1,500–1,999	10 954	11	5 291	5	4 087	4
2,000–2,499	3 356	3	2 527	2	1 786	2
2,500–2,999	5 357	5	1 420	1	996	1
3,000 and over	4 616	5	1 611	2	1 004	1
Total	102 338	100	105 180	100	116 530	100

Interest Relief Recipients by Province/Territory

The number of borrowers receiving Interest Relief increased in all provinces/territories except Saskatchewan and Newfoundland and Labrador compared to 2006–2007. Ontario and Yukon experienced the largest increases in Interest Relief uptake at 17% each, while Newfoundland and Labrador experienced decrease of 9% each **(Appendix J**, p. 55).

6.3.2 DEBT REDUCTION IN REPAYMENT

The Debt Reduction in Repayment measure was introduced in 1998, and expanded in 2005, to help borrowers who have exhausted Interest Relief and continue to have exceptional financial difficulty in repaying their Canada Student Loans. The measure reduces the principal of a borrower's Canada Student Loan (by a maximum of $26,000) and reduces monthly loan payments to an affordable level that is based on income. Debt Reduction in Repayment is available to eligible borrowers in an initial reduction of up to $10,000, a second reduction of up to $10,000 and a final reduction of up to $6,000. A minimum of 12 months must elapse between reductions before the borrower applies for the second and third reductions on the loan principal.

In the 2007–2008 loan year, 2 808 Canada Student Loan borrowers benefited from Debt Reduction in Repayment (339 fewer than in 2006–2007), for a total cost to the Government of $23 million. The amount of debt reduction varies considerably from year to year, depending on the number of borrowers who are eligible for it **(Table 7)**.

Table 7: Debt Reduction in Repayment (DRR)

Loan Year: August 1 to July 31

Loan Year	DRR Recipients	Value ($ Millions)
2005–2006	4 378	33
2006–2007	3 147	21
2007–2008	2 808	23

6.3.3 REVISION OF TERMS

A revision of terms provides borrowers with the flexibility to manage their loan repayment in a way that is responsive to their situation. It can be used to decrease monthly payment amounts if borrowers are unable to repay their government student loan according to the terms of their repayment arrangement. Borrowers can extend the term of their loan to a maximum of 14.5 years after consolidation. A revision of terms can also be used to increase loan payments so that borrowers can pay off their loan sooner.

During the 2007–2008 loan year, 71 693 borrowers revised the terms of their loan, an increase of 31% from the 2006–2007 loan year.

6.4 LOAN FORGIVENESS

Permanent Disability Benefit

The Permanent Disability Benefit (PDB) makes it possible to cancel the repayment obligations of borrowers who have a permanent disability and are experiencing financial difficulty in meeting their repayment obligations.

If the borrower has a risk-shared loan for full-time students, the permanent disability must have occurred before the first day of the seventh month from the end of the last confirmed period of study. If the borrower has a risk-shared loan for part-time students, the permanent disability must have occurred before the day on which the student entered into a loan agreement with the lender (financial institution or service provider). Budget 2008 announced the removal of these time restrictions for risk-shared loans (see page 32).

To be eligible for the PDB, an individual must submit medical and financial documentation to support the requirements of a permanent disability under the Program's legislation. The borrower must also show that, taking family income into account, he or she is unable to repay the student loan without exceptional hardship.

In the 2007–2008 loan year, we received 1 399 applications for the PDB, and 655 borrowers had loans forgiven, for a total cost to the Government of about $7.1 million. This is a 58% increase in the number of borrowers from the 2005–2006 loan year. The number of loans forgiven varies from year to year, depending on the number of borrowers who are eligible for the benefit **(Table 8)**.

Table 8: Loans Forgiven Under the Permanent Disability Benefit

Loan Year: August 1 to July 31

Loan Year	Number of Borrowers	Total Value of Loans Forgiven ($ Millions)	Average Value of Loan Forgiven ($)
2005-2006	482	5.2	10,752
2006–2007	396	4.5	11,329
2007–2008	655	7.1	12,083

Improvements to Assistance for Students with Permanent Disabilities

Budget 2008 announced a series of changes, effective August 1, 2009, to help more students with permanent disabilities attend university, college or trade school. The key elements of these changes are:

- recognizing previous assessments of permanent disability in determining eligibility for specific debt-management measures so that students will not have to send in documentation repeatedly;
- treating all borrowers with permanent disabilities compassionately by eliminating time restrictions on forgiveness of loans issued from 1995 to 2000 (risk-shared loans);
- offering a new accelerated Repayment Assistance Plan for students with permanent disabilities who do not qualify for immediate loan forgiveness (see the Repayment Assistance Plan information box on page 29); and
- providing immediate loan forgiveness for borrowers who will never be able to repay their student loans due to a severe permanent disability.

The Government of Canada understands that students with permanent disabilities may face additional barriers to post-secondary education. These new measures support students with permanent disabilities by enhancing their ability to access educational opportunities and to develop workplace skills, while making it easier for them to repay their student loans if they encounter difficulties after they finish their studies. For more information on these enhancements, visit CanLearn.ca.

PART III
PROGRAM RESULTS

CHAPTER 7. MEASURING PROGRAM RESULTS

So far, this report has described the products or services the Canada Student Loans Program (CSLP) produces for its clients, its potential clients and the public. These include the loans, grants and repayment assistance measures the CSLP provides, as well as outreach to potential clients, current clients and the public. This section describes higher-level results, focusing on the how the CSLP intends to attain its vision and on the Program's progress in achieving its four strategic objectives.

7.1 PROGRAM ACTIVITIES AND LOGIC MODEL

The vision of the CSLP is that all Canadians have the opportunity to develop the knowledge and skills to participate fully in the economy and in society. The CSLP logic model maps out how the Program plans to attain this vision through activities and outputs that lead to immediate, intermediate and final outcomes for the Program.

The Program's major activities include:

- administering loans to help eligible students in financial need;
- providing grants to eligible students in financial need;
- building relationships with borrowers and prospective borrowers;
- managing the loan repayment process;
- sustaining relationships with provinces and territories, service providers, other government organizations and stakeholders; and
- gathering information related to the CSLP and student financial assistance.

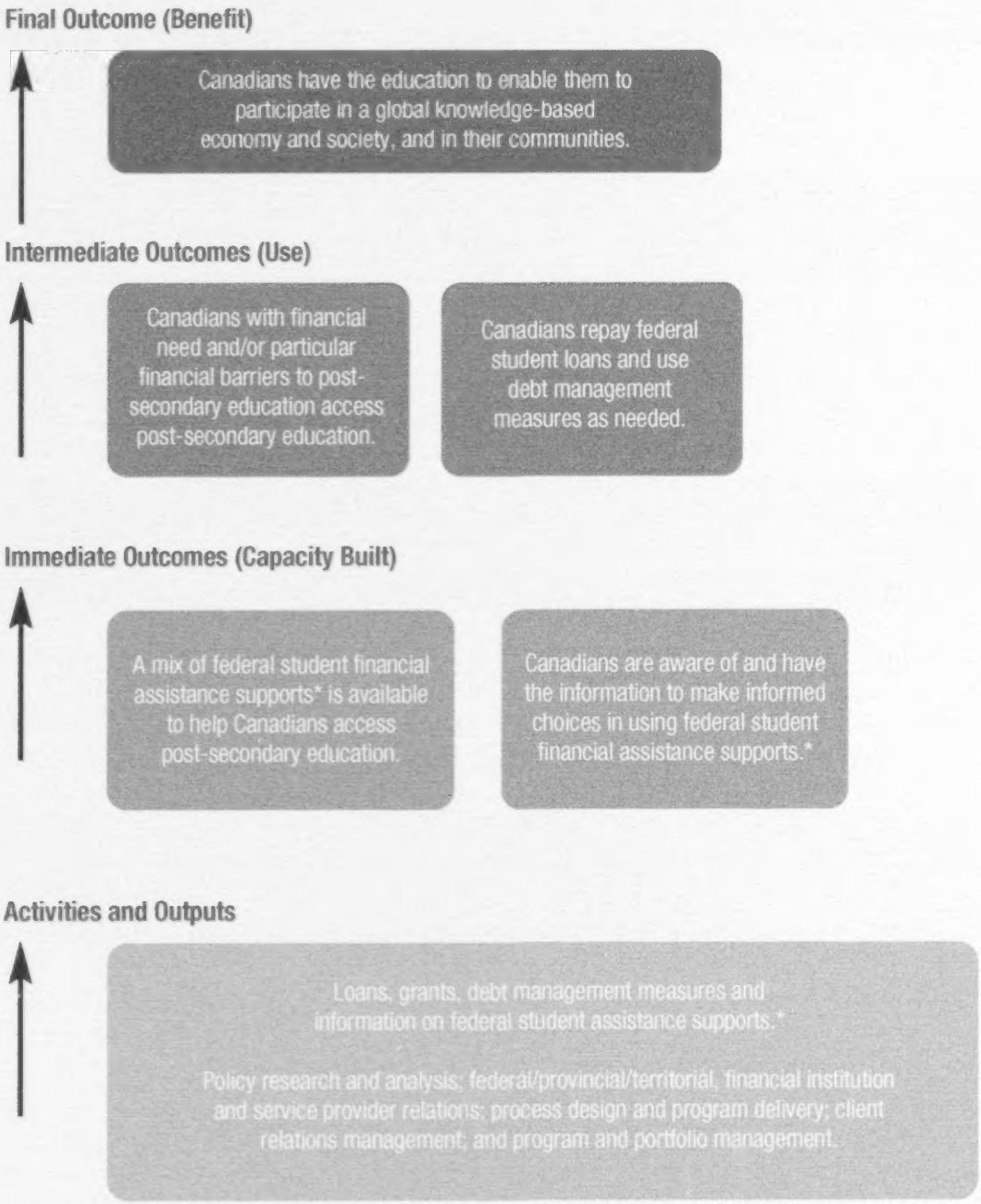
These activities are meant to achieve the following immediate and intermediate outcomes:

- A mix of federal student financial assistance supports are available to help Canadians access post-secondary education.
- Canadians are aware of and have the information to make informed choices in using federal student financial assistance supports.
- Canadians with financial need and/or particular financial barriers to post-secondary education access post-secondary education.
- Canadians repay federal student loans and use repayment assistance measures as needed.

These outcomes will lead to Canadians having the education that will enable them to participate in a global knowledge-based economy and society, and in their communities.

Figure 1–Canada Student Loans Program Logic Model

Loan Year: August 1 to July 31


Final Outcome (Benefit)
Canadians have the education to enable them to participate in a global knowledge-based economy and society, and in their communities.
Intermediate Outcomes (Use)
Canadians with financial need and/or particular financial barriers to post-secondary education access post-secondary education.
Canadians repay federal student loans and use debt management measures as needed.
Immediate Outcomes (Capacity Built)
A mix of federal student financial assistance supports* is available to help Canadians access post-secondary education.
Canadians are aware of and have the information to make informed choices in using federal student financial assistance supports.*
Activities and Outputs
Loans, grants, debt management measures and information on federal student assistance supports.*
Policy research and analysis; federal/provincial/territorial, financial institution and service provider relations; process design and program delivery; client relations management; and program and portfolio management.

* Supports refers broadly to all program products and services, including loans, grants and debt management measures.

7.2 REPORTING ON STRATEGIC OBJECTIVES

The CSLP follows four strategic objectives to track medium- and longer-term outcomes as shown in the logic model. The CSLP uses performance results for these strategic objectives to make informed management decisions based on the Program's progress and to report to Parliament and Canadians.[21]

The CSLP's four strategic objectives:

1. **Maintain the Government's commitment to accessibility**
2. **Increase awareness**
3. **Make the loan experience a positive one**
4. **Ensure performance, integrity and accountability**

7.2.1 STRATEGIC OBJECTIVE 1: COMMITMENT TO ACCESSIBILITY

Impact of a Government Student Loan[22]

The CSLP promotes access to post-secondary education by providing financial assistance to students with demonstrated need.

The CSLP Survey of Canadian Youth[23] is an annual survey on the awareness, opinions, attitudes, behaviours and experiences of Canadian youth (from the ages of 17 to 30) in the areas of post-secondary education and student financial assistance. The 2008 survey reported that 69% of all current government student loan holders would have experienced a major negative impact if they had not received a government student loan for their current school year. Of these:

- 50% would not have enrolled this reporting year without a student loan (37% would have delayed their studies and 13% would have dropped out completely).
- 49% would have enrolled whether they received a loan or not; however, 38% of these borrowers would have reduced their course load, enrolled part time, or changed their educational institution or program of study.

In addition, 26% of students who applied for a loan but did not qualify had to reduce their course load, study part time instead of full time, or change their educational institution or program of study. This is a 12% increase compared to last year.

Importance of Government Student Loans as a Source of Funding

Government student loans represented the most important source of post-secondary education funding for student loan borrowers. Seventy-four percent of students with a government student loan relied on it extensively, and 58% said it was their main source of funding. Compared to 2006–2007, slightly fewer students relied extensively on government student loans, and slightly more students used other government financial resources.

Of the youth not enrolled in post-secondary education, 21% said cost was the reason; they lacked money, had to work to save money, or were concerned about debt load or ability to repay a student loan. This is an 11% drop from last year. Of the youth who did not enrol for cost-related reasons, 16% said lack of a government student loan was their main financial barrier, and 37% were concerned about debt load or ability to repay.

21 In addition to the Annual Report, the CSLP reports to Parliament and Canadians through the Departmental Performance Report from Human Resources and Social Development Canada. The 2007–2008 report can be found at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/inst/csd/csd00-eng.asp.

22 Government student loans include both participating provincial/territorial loans and federal loans. Since Canada Student Loans are administered by participating provinces and territories along with provincial/territorial student loans, borrowers often do not distinguish between their federal and provincial loans.

23 Createc+: Special Investment Fund – 2008 CSLP Survey of Canadian Youth, May 2008.

7.2.2 STRATEGIC OBJECTIVE 2: INCREASED AWARENESS

Awareness of the CSLP

If the CSLP is to help more Canadians attend post-secondary education, it must first tell Canadians about how it can help them cover the cost of their education.

The Survey of Canadian Youth asked respondents about their awareness of the CSLP. The results indicated that 61% of youth in non-integrated provinces were aware of the CSLP, an increase of 22% since 2006–2007. Fifty percent of youth from integrated provinces were aware of the CSLP, an increase of 3% since 2006–2007, and 81% were aware of the integrated federal/provincial loans program (in integrated provinces, the CSLP is presented under the umbrella of the integrated loans program).

Outreach

CSLP outreach efforts build awareness of Canada Student Loans and Grants as well as of repayment assistance options available to Canadians through exhibit programs, publications, presentations to stakeholders, advertising, public service notices and CanLearn.ca.

CanLearn.ca

CanLearn.ca is a one-stop resource to help Canadians explore education opportunities, develop learning strategies and create financial plans to achieve their goals. Through the site, the CSLP provides current and future borrowers with tools and information to help them apply for, maintain and repay their student loans. CanLearn.ca is an integral way for the CSLP to increase the general public's awareness of the benefits of post-secondary education and to increase current and potential borrowers' awareness of CSLP services.

The CSLP conducts an annual client satisfaction survey[24] to gauge client awareness, among other things. Findings from the 2008 survey indicate that:

- 43% of borrowers surveyed had searched for information on student financial assistance within the past 12 months, which is similar to last year's figure.
- Of those borrowers who had searched for information, 83% used a Web-based source. Twenty-four percent used CanLearn.ca and/or the National Student Loans Service Centre Web site, down from 34% last year. Thirty-four percent used a provincial/territorial Web site.

Awareness of Repayment Options

According to the 2008 Client Satisfaction Survey, 85% of borrowers in repayment found their repayment options to be clear at the time they entered into repayment, an increase of 13% compared to last year. However, there was a large difference in understanding certain details of their loans. For example, most borrowers (78%) knew the total amount of their loan, but only 59% knew the current interest rate.

7.2.3 STRATEGIC OBJECTIVE 3: A POSITIVE LOAN EXPERIENCE

The CSLP Client Satisfaction Survey is also used to assess borrowers' satisfaction with service delivery, including for services provided by the National Student Loans Service Centre (NSLSC), which is managed by a third-party service provider, and the CSLP.

In 2007–2008, 75% of borrowers said they were satisfied with the CSLP overall. This is the same proportion as in the last two years.

With respect to the NSLSC, 78% of all borrowers were satisfied overall (79% of borrowers in study and 76% of borrowers in repayment). Borrowers attending public institutions gave a higher average rating than borrowers attending private institutions. Only 9% of borrowers expressed dissatisfaction.

24 Createc+: 2008 CSLP Client Satisfaction Survey, May 2008.

Borrower satisfaction is an important objective for the CSLP. As a result, the contract with the service provider that runs the NSLSC is performance-based and contains an incentive for increasing borrower satisfaction. The amount the CSLP pays the service provider is tied to borrower satisfaction with the NSLSC, as measured in the Client Satisfaction Survey. For detailed findings on satisfaction with the NSLSC, see **Appendix K** (p. 56).

The service provider contract also contains an incentive for meeting a number of service standards for the delivery of Canada Student Loans: the amount paid will also depend on performance related to these standards. The standards are being monitored and targets have been set. Performance on these targets will be reported in the 2008–2009 annual report. Some of the key standards are listed in **Table 9**.

7.2.4 STRATEGIC OBJECTIVE 4: CANADA STUDENT LOANS PROGRAM INTEGRITY

Since it is funded by Canadian taxpayers, the CSLP strives to safeguard the integrity of the Program and protect the investments borrowers make in their post-secondary education. Safeguarding integrity means ensuring that all aspects of the Program are operating within the legal framework of the *Canada Student Financial Assistance Act* and the *Canada Student Loans Act*. Activities, projects and policies have been developed and implemented with provincial and territorial partners to ensure the integrity of government-funded student financial assistance programs.

In 2008, the Program completed its first assessment of the Designation Policy Framework, which was launched in fall 2004 by the Council of Ministers of Education and the Minister of Human Resources and Skills Development. The Framework establishes pan-Canadian criteria for designation, which is the process that enables post-secondary educational institutions to offer government student financial assistance programs (i.e., students who attend designated institutions can apply for student loans). It also establishes performance expectations for maintaining designation. The Framework ensures that federal and provincial/territorial student financial assistance portfolios operate within the principles and practices of reasonable financial stewardship.

CSLP integrity activities and achievements for the 2007–2008 loan year include the following:

- Canada Student Loan repayment rates have improved, increasing from 84% in 2006–2007 to 85% in 2007–2008.
- The CSLP completed over 75 investigations into allegations of abuse involving approximately $1.2 million and worked with the Royal Canadian Mounted Police as required.
- The CSLP continued to work with the Canada Revenue Agency in its loan collection activities.
- The CSLP developed tools to improve the identification, tracking and reporting of integrity issues.

Table 9: NSLSC Service Standards

Aspect of Service Delivery	Service Standard	Target (%)
Ease of access	Answer inbound telephone enquiries within 20 seconds.	80
Timelines	Disburse funds to students and educational institutions within 2 days (for federal funds) or 4 days (for provincial funds) of receiving complete and accurate documentation.	95
Accuracy	Error-free disbursement based on the top five pre-identified reasons for disbursement errors (e.g., incorrect amount of loans or grants, and missing signatures).	99

- Budget 2008 announced a new measure that will help the CSLP manage the new Canada Student Grants Program. Among other things, this measure gives the CSLP the authority to convert a grant to a loan when a borrower is not eligible for the grant they received.
- The CSLP continued to collaborate with provincial and territorial partners, including through annual workshops that explore issues of audit, integrity and default management to identify best practices, share information and develop strategies. Ongoing collaboration with provincial and territorial partners remains essential to strengthening the integrity and accountability of student financial assistance programs.

Student Loan Portfolio Performance

A decrease in the proportion of borrowers in default is a sign of the CSLP's improvement in performance, integrity and accountability. A direct loan borrower is considered to have defaulted on a student loan when the loan is in arrears for more than 270 days (roughly equivalent to missing nine monthly payments). Although default on a loan may occur any time during the repayment period, the majority of defaults occur within three years of entering repayment. The CSLP uses the three-year cohort default rate as a main indicator of the student loan portfolio's performance. This rate compares the value of the loans that enter repayment in a given loan year (cohort) and default within three years to the value of all the loans that entered repayment in that cohort.

Table 10: Three-Year Cohort Default Rates for Direct Loans

Loan Year: August 1 to July 31

Province/ Territory	2004–2005 (%)	2005–2006 (%)	2006–2007 P (%)	2007–2008 F (%)
CANADA	**19**	**17**	**16**	**16**
NL	20	18	18	18
PE	18	16	14	28
NS	25	22	21	20
NB	27	21	22	19
ON	17	15	15	16
MB	21	17	15	13
SK	21	19	19	16
AB	17	13	12	11
BC	23	18	17	17
YT	*	*	*	*
Institution Type	**2004–2005 (%)**	**2005–2006 (%)**	**2006–2007 P (%)**	**2007–2008 F (%)**
University	13	10	10	8
College	21	18	17	18
Private	36	35	34	30

P: Preliminary F: Forecast

* Data are small enough to be considered insignificant.

The CSLP has worked hard to decrease the default rate. The three-year cohort default rate has decreased from 28% for the 2003–2004 cohort to 16% for the 2006–2007 cohort. As **Table 10** on page 38 shows, the default rate is forecast to remain at 16% for borrowers who consolidated their loan in 2007–2008.

The CSLP service provider's performance-based contract provides an incentive for default reduction. This means that the service provider can earn additional payments by reducing the default rate. The introduction of the Repayment Assistance Plan will help borrowers who are facing difficulties repaying their loans and should also help decrease the number of defaults.

7.3 EVALUATION

A five-year summative evaluation of the CSLP began in 2006–2007. In 2007–2008, evaluation projects focused on the CSLP's needs-assessment process and on its program delivery. The report on the findings of these projects is currently being prepared.

PART IV FINANCIAL DETAILS

CHAPTER 8. FINANCIAL DATA

All data in this section represent the fiscal year April 1, 2007 to March 31, 2008.

8.1 CONSOLIDATED REPORT ON THE CANADA STUDENT LOANS PROGRAM[25]

In August 2000, the Canada Student Loans Program (CSLP) was shifted from the risk-shared financing arrangements that had been in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan. The Government of Canada provides the necessary funding to students, and a private sector service provider administers the loans.

Reporting Entity

The entity detailed in this report is the CSLP only and does not include departmental operations related to the delivery of the CSLP. Expenditure figures are primarily statutory in nature, made under the authority of the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*.

Basis of Accounting

The financial figures are prepared in accordance with generally accepted accounting principles and as reflected in the *Public Sector Accounting Handbook* of the Canadian Institute of Chartered Accountants.

Specific Accounting Policies

Revenues

Two sources of revenue are reported: interest revenue on direct loans and recoveries on guaranteed and put-back loans. Government accounting practices require that recoveries from both sources be credited to the Government of Canada's Consolidated Revenue Fund. They do not appear along with the expenditures in the CSLP accounts, but are reported separately in the financial statements of Human Resources and Skills Development Canada and the Government of Canada.

A. **Interest Revenue on Direct Loans** – Borrowers are required to pay simple interest on their student loans once they leave full-time studies. At the time they leave school, students have the option of selecting a variable (prime + 2.5%) or fixed (prime + 5%) interest rate. The figures represent the interest accrued on the outstanding balance of the Government-owned direct loans. Borrowers continue to pay the interest accruing on the guaranteed and risk-shared loans directly to the private lender holding these loans. Effective August 1, 2005, the weekly loan limit increased from $165 per week to $210 per week of study. As more funds will be available to students, total loan disbursements will grow, and as a result, the interest revenue generated will likely increase.

25 *2006–2007 Departmental Performance Report* for Human Resources and Social Development Canada. This document can be found at http://www.tbs-sct.gc.ca/dpr-rmr/2006-2007/inst/csd/csd00-eng.asp.

B. **Recoveries on Guaranteed Loans** – The federal government reimburses private lenders for any guaranteed loans issued prior to August 1, 1995, that go into default (i.e., lenders claim any amount of principal and interest not repaid in full). The figures represent the recovery of principal and interest on these defaulted loans.

C. **Recoveries on Put-back Loans** – Under the risk-shared agreements, the federal government will purchase from participating financial institutions any loans issued between August 1, 1995, and July 31, 2000, that are in default of payment for at least 12 months after the period of study, that in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayment. The amount paid is set at 5% of the value of the loans in question. The figures represent the recovery of principal and interest on these loans.

Canada Study Grants and Canada Access Grants

Canada Study Grants and Canada Access Grants improve access to post-secondary education by providing non-repayable financial assistance to post-secondary students.

Four types of Canada Study Grants are available to assist:

- students with permanent disabilities in order to meet disability-related educational expenses (up to $8,000 annually);
- students with dependants (up to $3,120 for full-time students and up to $1,920 for part-time students, annually);
- high-need part-time students (up to $1,200 annually); and
- women in certain fields of Ph.D. studies (up to $3,000 annually for up to three years).

Two Canada Access Grants have been available since August 1, 2005, to assist:

- students from low-income families entering their first year of post-secondary studies (50% of tuition, up to $3,000); and
- students with permanent disabilities in order to assist with education and living expenses (up to $2,000 annually).[26]

Collection Costs

These amounts represent the cost of using private collection agencies to collect defaulted Canada Student Loans. The loans being collected include risk-shared and guaranteed loans that have gone into default and that the Government has bought back from the private lender, and direct loans issued after July 31, 2000, that are returned to Human Resources and Skills Development Canada by the third-party service provider as having defaulted. As of August 1, 2005, the Canada Revenue Agency Non-Tax Collections Directorate undertook the responsibility for the administration of the collection activities of the guaranteed, risk-shared and direct student loans.

Service Provider Costs

The CSLP uses third-party service providers to administer loan origination, in-study loan management, post-studies repayment activities and repayment assistance. This item represents the cost associated with these contracted services.

Risk Premium

Risk premium represents part of the remuneration offered to lending institutions participating in the risk-shared program from August 1, 1995, to July 31, 2000. The risk premium represents 5% of the value of loans being consolidated, which is calculated and paid at the time students leave studies and go into repayment. In return, the lenders assume the risk associated with non-repayment of these loans.

26 The Canada Access Grant for Students with Permanent Disabilities replaced the Canada Study Grant for High-Need Students with Permanent Disabilities.

Put-Back
Subject to the provisions of the contracts with lending institutions, the Government will purchase from a lender the student loans that are in default of payment for at least 12 months and that, in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayment. The amount paid is set at 5% of the value of the loans in question. The figures also include any refund made to participating financial institutions on the recoveries.

Administrative Fees to Provinces and Territories
Pursuant to the *Canada Student Financial Assistance Act*, the Government has entered into arrangements with all provinces except Quebec and with Yukon to facilitate the administration of the CSLP. They administer the application and needs assessment activities associated with federal student financial assistance, and in return, they are paid an administrative fee. As of August 1, 2005, administrative fees paid to provinces were increased to improve the compensation for their part in the administration of the CSLP.

In-Study Interest Borrowing Expense
The capital needed to issue direct loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost attributed to the CSLP in support of direct loans while students are considered to have in-study status. Weekly loan limits increased effective August 1, 2005.

In-Repayment Interest Borrowing Expense
The capital needed to issue direct loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost attributed to the CSLP in support of direct loans while students are in repayment of their Canada Student Loans.

In-Study Interest Subsidy
A central feature of federal student assistance is that student borrowers are not required to pay the interest on their student loans as long as they are in full-time study and, in the case of loans negotiated prior to August 1, 1993, for six months after they complete their studies. Under the guaranteed and risk-shared programs, the Government pays the interest to the lending institutions on behalf of the student.

Interest Relief
Assistance may be provided to cover loan interest and suspend payments on the principal of loans in repayment for up to 54 months for borrowers experiencing temporary difficulties repaying their loans. The shift from guaranteed and risk-shared loans to direct loans did not alter Interest Relief for loans in distress from the borrower's perspective; however, the method of recording associated costs changed. For loans issued prior to August 1, 2000, the CSLP compensates lending institutions for lost interest equal to the accrued interest amount on loans under Interest Relief. For loans issued after August 1, 2000, an Interest Relief expense is recorded to offset the accrued interest on direct loans. Effective August 1, 2005, income thresholds used to determine Interest Relief eligibility increased in order to make Interest Relief accessible to more borrowers.

Debt Reduction in Repayment
Debt Reduction in Repayment assists borrowers experiencing long-term difficulties repaying their loans. Debt Reduction in Repayment is a federal repayment assistance program through which the Government of Canada reduces a qualifying borrower's outstanding Canada Student Loan principal to an affordable amount after Interest Relief has been exhausted and only after five years have passed since the borrower ceased to be a student. As of August 1, 2005, the maximum amount of Debt Reduction in Repayment assistance is $26,000, which is available to eligible borrowers in an initial reduction of up to $10,000, a second reduction of up to $10,000 and a final reduction of up to $6,000. For loans issued prior to August 1, 2000, the CSLP pays

the lending institutions the amount of student debt principal reduced by the Government of Canada under Debt Reduction in Repayment. For loans issued after August 1, 2000, the Government of Canada forgives a portion of the loan principal.

Claims Paid and Loans Forgiven

From the beginning of the Canada Student Loans Program in 1964 until July 31, 1995, the Government fully guaranteed all loans issued to students by private lenders. The federal government reimburses private lenders for any of these loans that go into default (i.e., subject to specific criteria, lenders may claim any amount of principal and interest not repaid in full, after which the Canada Revenue Agency's Collection Services will attempt to recover these amounts). The risk-shared arrangements also permitted loans issued from August 1, 1995, to July 31, 2000, to be guaranteed under specific circumstances. This item represents the costs associated with loan guarantees.

Pursuant to the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*, the Government incurs the full amount of the unpaid principal plus accrued interest in the event of the death of the borrower or if the borrower becomes permanently disabled and cannot repay the loan without undue hardship.

Bad Debt Expense

Under direct loans, the Government owns the loans issued to students and must record them as assets. As a result, generally accepted accounting principles require that a provision be made for potential future losses associated with these loans. The provision must be made in the year the loans are issued even though the losses may occur many years later. The figures represent the annual expense against the provisions for bad debt and Debt Reduction in Repayment on direct loans.

Alternative Payments to Non-Participating Provinces and Territories

Provinces and territories may choose not to participate in the CSLP. These provinces and territories receive an alternative payment to assist in the cost of delivering a similar student financial assistance program.

Table 11: Consolidated Canada Student Loans Programs – Combined Programs

($ Millions)	Actual		2007–2008	
	2005–2006	2006–2007	Forecast	Actual
Revenues				
Interest revenue on direct loans	**315.7**	**453.3**	**445.3**	**552.4**
Recoveries on guaranteed loans	66.8	55.3	53.1	46.6
Recoveries on put-back loans (RS)	13.1	14.5	19.1	13.5
Total loan revenue	**395.6**	**523.1**	**517.5**	**612.6**
Expenses				
Transfer payments				
Canada study grants and Canada access grants	129.7	146.4	136.1	161.5
Loan administration				
Collection costs (all regimes)[a]	13.6	12.4	21.0	14.4
Service bureau costs (DL)	50.2	65.6	83.3	70.8
Risk premium to financial institutions (RS)	2.7	1.8	1.8	1.3
Put-back to financial institutions (RS)	4.3	4.7	5.4	3.8
Administrative fees to provinces and territories (DL)	13.9	14.7	14.2	13.7
Total loan administration expenses	**84.7**	**99.2**	**125.7**	**104.0**
Cost of Government benefits to students				
In-study interest borrowing expense (Class A – DL)[b]	159.3	185.7	187.5	188.6
In-repayment interest borrowing expense (Class B – DL)[b]	111.4	145.0	174.6	166.2
In-study interest subsidy (RS & GL)	12.1	11.5	9.2	8.0
Interest Relief (all regimes)	67.2	84.2	84.4	93.2
Debt Reduction in Repayment (RS & GL)	31.4	20.1	24.5	14.3
Claims paid and loans forgiven (all regimes)	24.8	24.2	24.7	17.0
Total cost of Government benefits to students	**406.2**	**470.7**	**504.9**	**487.3**
Bad debt expense[c]				
Debt Reduction in Repayment expense (DL)	13.3	9.6	14.1	12.4
Bad debt expense (DL)	297.2	260.4	354.5	305.7
Total bad debt expense	**310.5**	**270.0**	**368.6**	**318.1**
Total loan expenses	**931.1**	**986.3**	**1,135.3**	**1,070.9**
Net operating results	**535.5**	**463.2**	**617.8**	**458.3**
Alternative payments to non-participating provinces (DL)[d]	158.2	91.3	172.6	113.9
Final net operating results	**693.7**	**554.5**	**790.4**	**572.2**

DL = direct loans
RS = risk-shared loans
GL = guaranteed loans

a. These costs are related to collection activities performed by the Canada Revenue Agency.
b. These costs are related to direct Canada Student Loans but reported by the Department of Finance.
c. This represents the annual expense against the provisions for bad debt and Debt Reduction in Repayment as required under accural accounting.
d. The figures represent the annual expense recorded under the accural accounting as opposed to the actual amount disbursed to the non-participating provinces. For 2007–2008, the total amount disbursed as alternative payments is $115.8 million.

PART V
APPENDICES

APPENDIX A
CANADA STUDENT LOANS PORTFOLIO

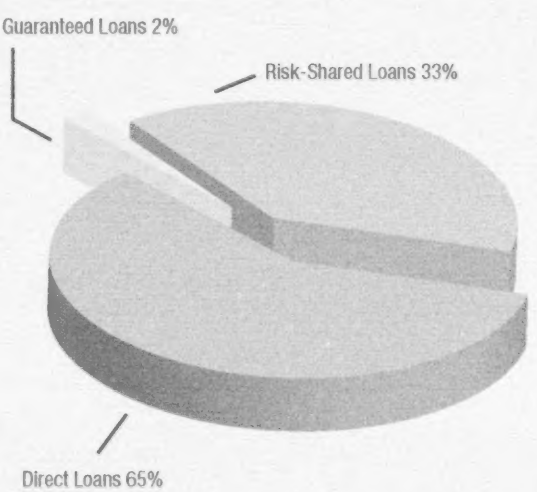
Canada Student Loans Program Portfolio, March 31, 2005, to March 31, 2008 ($ Millions)

As of March 31	Guaranteed		Risk-Shared		Direct		Total (Guaranteed, Risk-Shared & Direct)		
	Loans in-study	Loans in-repayment	Loans in-study	Loans in-repayment	Loans in-study	Loans in-repayment	Loans in-study	Loans in-repayment	Loans in-study & in-repayment
2005	38.8	287.0	392.9	3,656.8	3,645.0	2,602.7	4,076.7	6,546.5	10,623.2
2006	26.1	214.4	263.1	3,165.9	4,149.3	3,255.6	4,438.5	6,635.9	11,074.4
2007	18.3	159.1	183.8	2,720.4	4,462.7	4,033.6	4,664.4	6,906.8	11,571.2
2008	12.4	117.1	126.7	2,317.4	4,715.7	4,690.6	4,854.8	7,125.2	11,980.0

Source: Comptroller's Office, Financial and Administrative Services
Fiscal Year: April 1 to March 31

Loans in Study as of March 31, 2008

Loans in Repayment as of March 31, 2008



APPENDIX B
LOANS TO PART-TIME STUDENTS BY PROVINCE/TERRITORY AND BY TYPE OF INSTITUTION

Part-Time Student Borrowers by Province/Territory

Loan Year: August 1 to July 31

Province/ Territory	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Thousands)	Average ($)	No. of Borrowers	Value of Loans ($ Thousands)	Average ($)	No. of Borrowers	Value of Loans ($ Thousands)	Average ($)
NL	19	26	1,368	14	19	1,325	*	12	1,926
PE	52	118	2,189	61	154	2,520	94	229	2,433
NS	194	399	2,042	136	283	2,078	76	149	1,958
NB	102	146	1,427	114	197	1,732	91	132	1,447
ON	628	1,215	1,917	643	1,210	1,881	528	948	1,795
MB	166	317	1,882	127	266	2,091	114	256	2,244
SK	86	175	2,031	87	206	2,373	57	124	2,167
AB	651	951	1,446	415	529	1,274	187	250	1,339
BC	229	502	2,195	266	639	2,403	280	692	2,473
YT	*	*	*	*	*	*	*	*	*
Total	**2 127**	**3,849**	**1,795**	**1 863**	**3,502**	**1,880**	**1 436**	**2,797**	**1,948**

* Numbers of borrowers lower than 10 have been suppressed.

Loans to Part-Time Students by Type of Institution

Loan Year: August 1 to July 31

Institution Type	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
University	1 041	1.8	1,736	932	1.7	1,856	721	1.3	1,745
College	861	1.3	1,533	699	1.1	1,561	471	0.8	1,651
Private	225	0.7	3,064	232	0.7	2,935	244	0.8	3,120
Total**	**2 127**	**3.8**	**1,795**	**1 863**	**3.5**	**1,880**	**1 436**	**2.8**	**1,948**

** Overall numbers of borrowers for institutions are slightly greater than total numbers as borrowers may have taken loans from more than one type of institution.

APPENDIX C
BORROWER MOBILITY

Borrower Mobility by Province/Territory

Loan Year: August 1 to July 31

Province/ Territory	2005–2006					2006–2007					2007–2008				
	Remaining in Home Province		Moving Outside Home Province		Total	Remaining in Home Province		Moving Outside Home Province		Total	Remaining in Home Province		Moving Outside Home Province		Total
	#	% Total	#	% Total		#	% Total	#	% Total		#	% Total	#	% Total	
NL	8 206	85.1	1 434	14.9	9 640	7 544	84.9	1 343	15.1	8 887	7 330	85.5	1 240	14.5	8 570
PE	1 967	60.7	1 272	39.3	3 239	1 903	59.4	1 303	40.6	3 206	1 966	59.6	1 331	40.4	3 297
NS	12 543	78.9	3 352	21.1	15 895	12 156	78.5	3 321	21.5	15 477	11 785	77.6	3 352	22.1	15 137
NB	12 184	76.5	3 734	23.5	15 918	12 011	76.6	3 665	23.4	15 676	11 962	77.6	3 484	22.6	15 446
ON	170 900	93.9	11 116	6.1	182 016	181 080	93.9	11 795	6.1	192 875	195 098	93.9	12 596	6.1	207 694
MB	7 929	85.2	1 376	14.8	9 305	7 139	84.0	1 357	16.0	8 496	6 833	83.2	1 379	16.8	8 212
SK	10 274	77.6	2 971	22.4	13 245	9 485	76.8	2 861	23.2	12 346	8 354	75.9	2 646	24.1	11 000
AB	31 891	84.3	5 953	15.7	37 844	27 951	82.7	5 828	17.3	33 779	27 097	81.7	6 086	18.3	33 183
BC	49 244	87.5	7 062	12.5	56 306	45 567	87.1	6 731	12.9	52 298	43 375	86.8	6 591	13.2	49 966
YT	38	16.5	192	83.5	230	32	14.5	189	85.5	221	26	12.8	177	87.2	203
Total	**305 176**	**88.8**	**38 462**	**11.2**	**343 638**	**304 868**	**88.8**	**38 393**	**11.2**	**343 261**	**313 826**	**89.0**	**38 882**	**11.0**	**352 708**

Mobility of Canada Student Loan Borrowers Between Provinces/Territories

Loan Year: August 1 to July 31

Province/ Territory of Issue	Province/Territory of Study													USA	Rest of the World	Total
	NL	PE	NS	NB	ON	MB	SK	AB	BC	YT	QC	NWT	Canada			
NL	7 330	57	438	170	301	*	*	88	49	*	38	*	8 486	38	46	8 570
PE	56	1 996	507	407	170	*	11	34	34	*	34	*	3 221	54	22	3 297
NS	439	261	11 785	1 040	702	13	18	159	125	*	154	*	14 697	339	101	15 137
NB	117	193	1 433	11 962	698	12	38	109	78	*	507	*	15 147	234	65	15 446
ON	147	65	1 510	389	195 099	381	162	1 071	1 448	*	1 961	*	202 235	3 260	2 199	207 694
MB	*	*	68	22	398	6 833	171	194	193	*	64	*	7 955	198	59	8 212
SK	*	*	205	12	283	185	8 354	1 319	319	*	55	*	10 747	210	43	11 000
AB	50	19	503	119	1 407	194	624	27 097	1 772	*	271	*	32 058	689	436	33 183
BC	33	*	287	99	2 177	208	271	1 782	43 375	*	479	*	48 723	679	564	49 966
YT	*	*	*	*	19	*	*	39	82	26	*	*	195	*	*	203
Total	**8 186**	**2 583**	**16 744**	**14 223**	**201 254**	**7 838**	**9 663**	**31 892**	**47 475**	**32**	**3 569**	*	**343 464**	**5 705**	**3 539**	**352 708**

* Numbers of borrowers lower than 10 have been suppressed.

APPENDIX D
LOANS TO FULL-TIME STUDENTS BY TYPE OF INSTITUTION

Loans to Full-Time Students by Type of Institution

Loan Year: August 1 to July 31

Institution Type	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
University	197 566	1,117	5,653	201 190	1,135	5,640	209 259	1,206	5,763
College	109 397	561	5,132	106 687	544	5,096	109 252	562	5,143
Private	37 020	257	6,934	35 384	249	7,031	34 197	245	7,156
Total**	**343 638**	**1,935**	**5,631**	**343 261**	**1,927**	**5,614**	**352 708**	**2,013**	**5,706**

** Overall numbers of borrowers for institutions are slightly greater than total numbers as borrowers may have taken loans from more than one type of institution.

APPENDIX E
BORROWERS BY STUDY LEVEL

Full-Time Student Borrowers by Study Level

Loan Year: August 1 to July 31

Study Level	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
Doctorate	2 699	21	7,760	2 824	21	7,550	3 203	25	7,721
Master's	11 953	86	7,209	12 092	86	7,078	12 729	91	7,147
Undergraduate	197 417	1,096	5,550	200 392	1,110	5,539	127 895	714	5,582
Non-Degree	131 569	732	5,565	127 953	710	5,550	208 881	1,183	5,663
Total	**343 638**	**1,935**	**5,631**	**343 261**	**1,927**	**5,614**	**352 708**	**2,013**	**5,706**

Part-Time Student Borrowers by Study Level

Loan Year: August 1 to July 31

Study Level	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
Doctorate	*	0.0	1,793	*	0.0	2,012	*	0.0	2,942
Master's	57	0.1	2,296	47	0.1	2,367	24	0.1	2,364
Undergraduate	1 149	2.1	1,851	968	1.9	1,939	755	1.6	2,161
Non-Degree	919	1.6	1,693	846	1.5	1,784	653	1.1	1,681
Total	**2 127**	**3.8**	**1,795**	**1 863**	**3.5**	**1,880**	**1 436**	**2.8**	**1,948**

* Numbers of borrowers lower than 10 have been suppressed.

APPENDIX F
BORROWERS BY AGE

Full-Time Student Borrowers by Age

Loan Year: August 1 to July 31

Age	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
21 & under	164 524	809	4,915	173 016	852	4,925	187 169	962	5,139
22–25	102 284	616	6,027	99 154	604	6,089	97 779	600	6,141
26–29	35 250	230	6,525	32 911	215	6,525	31 931	209	6,547
30 & over	41 580	280	6,730	38 180	257	6,719	35 829	241	6,729
Total	**343 638**	**1,935**	**5,631**	**343 261**	**1,927**	**5,614**	**352 708**	**2,013**	**5,706**

Part-Time Student Borrowers by Age

Loan Year: August 1 to July 31

Age	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
21 & under	334	0.6	1,683	272	0.5	1,843	377	0.7	1,826
22–25	652	1.2	1,793	594	1.1	1,800	374	0.7	1,825
26–29	351	0.6	1,714	317	0.6	1,945	215	0.4	1,911
30 & over	790	1.5	1,878	680	1.3	1,934	470	1.0	2,161
Total	**2 127**	**3.8**	**1,795**	**1 863**	**3.5**	**1,880**	**1 436**	**2.8**	**1,948**

APPENDIX G
BORROWERS BY GENDER

Full-Time Student Borrowers by Gender

Loan Year: August 1 to July 31

Gender	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
Female	206 412	1,181	5,720	206 412	1,181	5,720	211 003	1,224	5,799
Male	137 226	754	5,497	137 226	754	5,497	141 705	789	5,567
Total	**343 638**	**1,935**	**5,631**	**343 638**	**1,935**	**5,631**	**352 708**	**2,013**	**5,706**

Part-Time Student Borrowers by Gender

Loan Year: August 1 to July 31

Gender	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
Female	1 462	2.6	1,805	1 254	2.4	1,887	896	1.7	1,919
Male	663	1.2	1,771	609	1.1	1,866	540	1.1	1,996
Total	**2 127**	**3.8**	**1,795**	**1 863**	**3.5**	**1,880**	**1 436**	**2.8**	**1,948**

APPENDIX H
BORROWERS BY MARITAL STATUS

Full-Time Student Borrowers by Marital Status

Loan Year: August 1 to July 31

Marital Status	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
Single	295 916	1,612	5,449	299 083	1,628	5,442	310 057	1,722	5,554
Married	28 516	188	6,590	26 847	177	6,580	25 796	170	6,575
Other	19 206	135	7,013	17 331	123	7,090	16 855	121	7,167
Total	**343 638**	**1,935**	**5,631**	**343 261**	**1,927**	**5,614**	**352 708**	**2,013**	**5,706**

Part-Time Student Borrowers by Marital Status

Loan Year: August 1 to July 31

Marital Status	2005–2006			2006–2007			2007–2008		
	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)	No. of Borrowers	Value of Loans ($ Millions)	Average ($)
Single	1 489	2.6	1,769	1 368	2.5	1,845	1 090	2.1	1,912
Married	358	0.7	1,921	268	0.6	2,067	201	0.4	2,170
Other	280	0.5	1,768	227	0.4	1,872	145	0.3	1,908
Total	**2 127**	**3.8**	**1,795**	**1 863**	**3.5**	**1,880**	**1 436**	**2.8**	**1,948**

APPENDIX I
CANADA STUDENT LOAN INDEBTEDNESS

Distribution of Canada Student Loan Indebtedness at Consolidation

Loan Year: August 1 to July 31

Debt Load ($)	2005–2006 (%)	2006–2007 (%)	2007–2008 (%)
Less than 5,000	22	20	19
5,000–9,999	34	33	30
10,000–19,999	28	30	31
20,000–29,999	12	13	14
30,000 and over	4	5	6

Note: Figures represent a borrower's Canada Student Loan only. Borrowers may also have provincial or private (bank) loans.

Average Indebtedness by Province/Territory

Loan Year: August 1 to July 31

Province	2005–2006 ($)	2006–2007 ($)	2007–2008 ($)
NL	12,643	13,108	12,991
PE	13,285	14,669	15,534
NS	13,702	14,733	15,380
NB	12,349	13,007	13,301
ON	10,894	11,616	12,326
MB	9,579	10,313	11,015
SK	12,020	13,201	14,063
AB	10,793	12,038	12,825
BC	11,665	12,960	13,775
YK	11,302	13,202	13,143
Average	**11,323**	**12,232**	**12,881**

Note: Figures represent a borrower's Canada Student Loan only. Borrowers may also have provincial or private (bank) loans.

Average Indebtedness by Type of Institution

Loan Year: August 1 to July 31

Institution Type	2005–2006 ($)	2006–2007 ($)	2007–2008 ($)
University	14,708	15,668	16,269
College	9,020	9,619	9,939
Private	8,463	9,582	10,152
Average	**11,323**	**12,232**	**12,881**

Note: Figures represent a borrower's Canada Student Loan only. Borrowers may also have provincial or private (bank) loans.

Average Indebtedness by Age

Loan Year: August 1 to July 31

Age	2005–2006 ($)	2006–2007 ($)	2007–2008 ($)
21 & under	5,852	6,276	6,285
22–25	10,664	11,557	12,188
26–29	14,217	15,403	16,329
30 & over	13,548	14,941	15,854
Average	**11,323**	**12,232**	**12,881**

Note: Figures represent a borrower's Canada Student Loan only. Borrowers may also have provincial or private (bank) loans.

Average Indebtedness by Gender

Loan Year: August 1 to July 31

Gender	2005–2006 ($)	2006–2007 ($)	2007–2008 ($)
Female	11,527	12,586	13,268
Male	11,040	11,727	12,325
Total	**11,323**	**12,232**	**12,881**

Note: Figures represent a borrower's Canada Student Loan only. Borrowers may also have provincial or private (bank) loans.

Average Indebtedness by Age Group and Type of Institution, 2007–2008 Loan Year

Loan Year: August 1 to July 31

Age	University ($)	College ($)	Private ($)
21 & under	6,285	5,707	7,911
22–25	14,441	9,462	10,188
26–29	19,356	13,065	11,867
30 & over	21,804	13,345	10,432
Average	**16,269**	**9,939**	**10,152**

Note: Figures represent a borrower's Canada Student Loan only. Borrowers may also have provincial or private (bank) loans.

Average Indebtedness by Gender and Type of Institution, 2007–2008 Loan Year

Loan Year: August 1 to July 31

Gender	University ($)	College ($)	Private ($)
Female	16,694	10,635	10,063
Male	15,658	9,037	10,351
Average	**16,269**	**9,939**	**10,152**

Note: Figures represent a borrower's Canada Student Loan only. Borrowers may also have provincial or private (bank) loans.

APPENDIX J
INTEREST RELIEF

Interest Relief Recipients by Type of Institution

Loan Year: August 1 to July 31

Institution Type	2005–2006	2006–2007	2007–2008
University	45 965	49 079	53 883
College	38 447	40 267	43 869
Private	17 849	15 768	18 720
Not Stated / Not Available	77	66	58
TOTAL	**102 338**	**105 180**	**116 530**

Interest Relief Recipients by Gender

Loan Year: August 1 to July 31

Gender	2005–2006	2006–2007	2007–2008
Female	66 569	69 023	77 039
Male	35 692	36 091	39 433
Not Stated / Not Available	77	66	58
TOTAL	**102 338**	**105 180**	**116 530**

Interest Relief Recipients by Province/Territory

Loan Year: August 1 to July 31

Province/Territory	2005–2006	2006–2007	2007–2008
NL	6 725	6 114	5 584
PE	1 181	1 211	1 320
NS	7 142	6 684	6 940
NB	6 523	6 720	7 241
ON	49 535	54 790	64 126
MB	2 272	2 198	2 445
SK	4 109	3 772	3 689
AB	8 652	7 793	7 924
BC	16 031	15 762	17 148
YT	45	47	55
Not Stated / Not Available	123	89	58
Total	**102 338**	**105 180**	**116 530**

APPENDIX K
CLIENT SATISFACTION WITH THE NATIONAL STUDENT LOANS SERVICE CENTRE (NSLSC)

Satisfaction Ratings of the National Student Loans Service Centre (NSLSC) (% Satisfied)

Survey Question	2005–2006	2006–2007	2007–2008
The amount of time you had to wait to speak with a customer service representative	58	56	60
The competence of staff	75	77	77
The courteousness of staff	81	84	85
The extent to which the service was provided in a fair manner	78	81	81
The extent to which you were informed about the NSLSC	61	64	66
Your ease of access to the service	71	69	69
Your access to service in the official language of your choice, either English or French	95	93	97
In the end, you got what you needed from the staff*	N/A	N/A	82
Overall level of satisfaction (with the quality of service received from the NSLSC)	76	75	78

Source: Canada Student Loans Program Client Satisfaction Survey
* This question was not asked in 2006–2007 or 2005–2006.

Borrowers' Views on the Quality of the Service They Received with Regard to Their Federal or Provincial Student Loan over the Past Two years (% In Agreement)

Survey Question	2005–2006	2006–2007	2007–2008
Improved	14	16	17
Worsened	7	6	5
Stayed more or less the same	79	77	77

Source: Canada Student Loans Program Client Satisfaction Survey

APPENDIX L
FEDERAL GOVERNMENT SUPPORT FOR POST-SECONDARY EDUCATION

The Government of Canada supports post-secondary education in many ways, in addition to the support provided through the Department of Human Resources and Skills Development.

- Indian and Northern Affairs Canada assists First Nation and Inuit students with the costs of tuition, books and travel, and provides living allowances through the Post-Secondary Student Support Program and the University College Entrance Preparation Program. Post-secondary institutions also receive support through the Indian Studies Support Program to develop and deliver special programs for Aboriginal people.
- Tax relief is available to all individuals with federal and provincial or territorial loans through a federal tax credit on the annual interest paid on their student loans.
- The tuition tax credit provides tax relief for students' expenditures towards tuition fees.
- The education tax credit provides up to $400 per month for full-time students and $120 per month for part-time students to help offset education expenses. The credit provides tax relief to more than 65 000 Canadians who are upgrading their skills.
- The textbook tax credit recognizes the rising cost of educational materials. This credit is $65 per month for full-time post-secondary students and $20 per month for part-time students.
- The Official Languages in Education Program helps provinces and territories fund minority-language education and second-language instruction.
- Industry Canada offers scholarships and fellowships under the Natural Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council of Canada.

PART VI
GLOSSARY

Borrowers in repayment: Borrowers who have completed post-secondary studies at least six months earlier and who are scheduled to begin payments on their Canada Student Loan(s).

Borrowers in study: Borrowers who are still attending a post-secondary institution or have finished school less than six months earlier (grace period).

Canada Access Grants: Non-repayable financial assistance to post-secondary students. Two types of Canada Access Grants are available: (1) grants to students from low-income families entering their first year of post-secondary studies (50% of tuition, up to $3,000); and (2) grants to students with permanent disabilities to help with education and living expenses (up to $2,000 annually).

Canada Study Grants: Non-repayable financial assistance to post-secondary students. Four types of Canada Study Grants are available to help the following groups: (1) students with permanent disabilities (up to $8,000 annually); (2) students with dependants (up to $3,120 for full-time students and up to $1,920 for part-time students, annually); (3) high-need part-time students (up to $1,200 annually); and (4) women in certain fields of Ph.D. studies (up to $3,000 annually for up to three years).

Canada Student Financial Assistance Act: Enacted in 1995 to allow for a risk-sharing arrangement between the federal government and participating financial institutions.

Consolidate: When the borrower's status changes from in study to in repayment, his or her loans are consolidated.

Debt Reduction in Repayment: A federal repayment assistance program to reduce a borrower's outstanding Canada Student Loans principal to an affordable amount after Interest Relief has been exhausted and only after five years have passed since the borrower ceased to be a student. The maximum amount of assistance is $26,000, which is available to eligible borrowers in an initial reduction of up to $10,000, a second reduction of up to $10,000 and a final reduction of up to $6,000. For loans issued before August 1, 2000, the CSLP pays the lending institutions the amount of student debt principal reduced by the Government of Canada under Debt Reduction in Repayment. For loans issued after August 1, 2000, the Government forgives a portion of the loan principal.

Direct loans: As of August 2000, the federal government directly finances loans and has contracted third-party service providers to administer the loan process.

Guaranteed loans: Loans to students provided by banks and credit unions between 1964 and 1994. The Government fully reimbursed the lending institution if the borrower could not repay the loan.

Integration agreement: A "one-stop shopping" agreement with Ontario, New Brunswick, Newfoundland and Labrador, and Saskatchewan that allows students from these provinces to apply for and make payments on both their federal and provincial direct loans at the same time, to the same place.

In-study interest subsidy: The central feature of federal student assistance that exempts student borrowers from paying interest on their student loans as long as they are in full-time study and, in the case of loans negotiated before August 1, 1993, for six months after the completion of studies. Under the guaranteed and risk-shared programs, the federal government pays the interest to the lending institutions on behalf of the student.

Interest Relief: A temporary assistance measure to cover loan interest and suspend payments on the principal of loans in repayment for up to 54 months. Effective August 1, 2005, income thresholds used to determine eligibility for Interest Relief increased to make the measure accessible to more borrowers.

Loan year: August 1 to July 31.

National Student Loans Service Centre: The main point of contact for borrowers in managing their loans, from loan disbursement to repayment and repayment assistance.

Participating provinces/territories: The provinces and territories that choose to deliver financial assistance to students within the framework of the CSLP. At the moment they include Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon.

Post-secondary education: Levels of education following secondary school, whether at public education institutions (university or community college) or private education institutions (trade school, private vocational school and/or career college).

Revision of terms: A means of allowing borrowers to manage their loan repayment in a way that is responsive to their situation. It can be used as a repayment assistance measure designed to decrease monthly payments, or it can be used to increase loan payments to allow the borrower to pay off the loan sooner.

Risk-shared loans: A loan regime introduced in 1995 whereby the financial institutions assumed responsibility for the possible risk of defaulted loans in return for a fixed payment from the federal government.